

31 December 2017

## Conservative Fund



### Fund description

The Conservative Fund invests mainly in income assets (cash and cash equivalents and fixed interest), with a smaller exposure to growth assets (equities and listed property). The fund may also invest in alternative assets.

### Market Review

The Conservative Fund holds a broad range of investments, both in New Zealand and overseas. Over the quarter, the fund returned 1.8% and remains comfortably ahead of its long term objective.

The fund has a significant weighting to fixed interest (bond) investments, which make up around 60% of its holdings. We have been cautious on international bonds, as global interest rates look set to move higher and, generally, bonds do not do well in a rising interest rate environment. We held an underweight position to this asset class and this was of benefit as international bonds delivered only modest gains over the period. That said, the fund had an overweight allocation to cash. This held back performance as the returns from cash lagged behind those from all other investment markets during the quarter. The returns from international shares, which make up around 12% of the fund, were particularly strong. Strong global growth, some good corporate profit results and the likelihood of US shares getting a further boost from US tax reforms helped them to register good gains. While our underlying international share managers lagged the benchmark over the quarter, over the year they have done well and have contributed to the fund's strong long-term track record. Some good stock selection by our underlying investment managers also helped during the quarter. Of particular note was the fund's domestic and international listed property holdings, as well as in Australian shares, where our managers delivered above-benchmark returns.

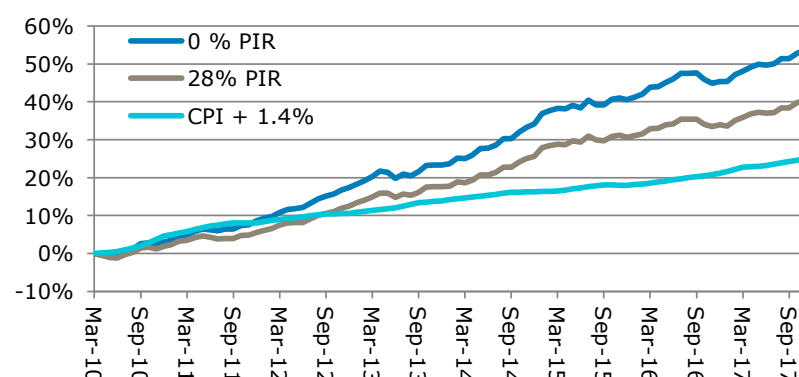
Our outlook is unchanged. We expect bond markets to struggle as global interest rates start moving higher and so we maintain our underweight position. While we believe international share markets will continue to do well, we hold a neutral position, as we recognise that markets look slightly overvalued at present.

### Fund performance

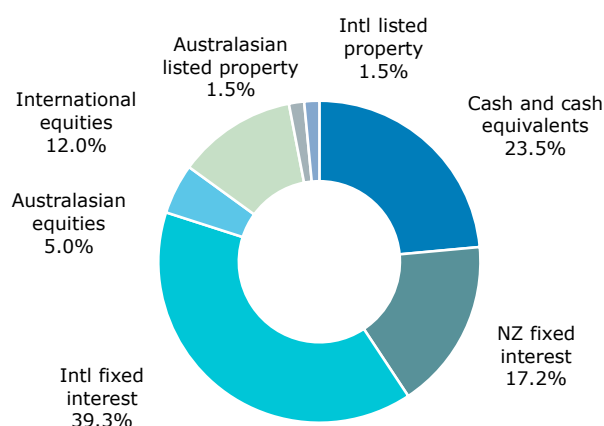
	1mth	3mth	6mth	1yr	3yrs	5yrs	Since Inception
0% PIR	0.3%	1.8%	2.9%	5.8%	4.7%	5.5%	5.7%
28% PIR	0.1%	1.6%	2.7%	5.0%	3.8%	4.6%	4.5%

Performance is after fund fees and stated PIR. The 28% PIR return series shows returns at the highest PIR at the time of the performance. Performance for periods longer than one year are annualised.

### Fund performance since inception

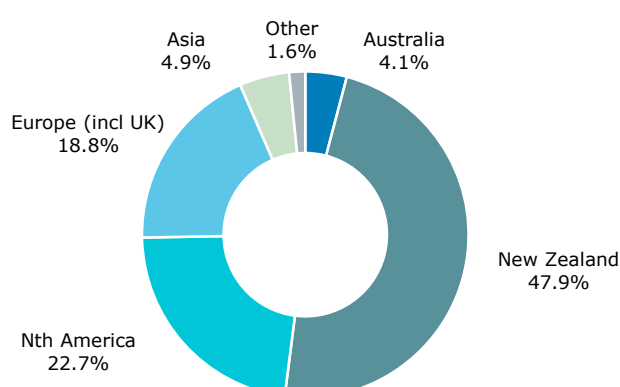


### Actual investment mix



The actual investment mix of this fund is based on the cash and cash equivalents held by the fund, and the asset class of the underlying funds in which the fund invests.

### Country allocation



### Top 10 Holdings

1	NZ Govt Stock 5.0% 2019	2.4%
2	NZ Govt Stock 6.0% 2021	1.7%
3	NZ Govt Stock 5.5% 2023	1.3%
4	NZ Govt Stock 3.0% 2020	1.1%
5	BNZ RCD 16/03/2018	1.0%
6	BNZ RCD 05/02/2018	1.0%
7	ASB RCD 16/03/2018	0.9%
8	NZ Govt Stock 4.5% 2027	0.9%
9	ANZ FRN 22/03/2019	0.8%
10	ANZ FRN 21/12/2020	0.8%

Total Top 10 Holdings	11.9%
# of other holdings	1595

### Asset class performance (before fund fees and tax)

	1mth	3mth	6mth	1yr	3yrs	5yrs
Cash and cash equivalents	0.2%	0.7%	1.3%	2.7%	3.1%	3.3%
NZ Fixed Interest	0.3%	1.6%	2.7%	5.7%	5.3%	4.5%
International Fixed Interest	0.1%	0.8%	1.3%	3.1%	4.0%	4.8%
Australasian listed property	3.2%	7.5%	8.7%	14.6%	11.5%	14.3%
International listed property	2.0%	4.9%	6.2%	9.2%	6.6%	10.9%
Australasian equities	1.9%	8.2%	12.7%	19.7%	11.0%	12.3%
International equities (unhedged)	-1.9%	6.9%	13.6%	25.2%	15.1%	16.7%

Performance by asset class shows the performance of the underlying wholesale strategies in which the fund invests. Asset allocation decisions, hedging, fees and other factors will influence the return received by the fund. Performance for periods longer than one year are annualised.

## Conservative Fund

### Target investment mix and ranges

Asset Mix	Target Class	Range	Aggregate Ranges
Cash and cash equivalents	20.0%	10-40%	70-90
NZ fixed interest	18.0%	8-28%	
International fixed interest	42.0%	32-52%	
Australasian listed property	1.5%	0-9%	10-30
International listed property	1.5%		
Australasian equities	5.0%		
International equities	12.0%	2-22%	
Other (inc alternatives)	0.0%	0-8%	
Total	100.0%		

### Hedging levels

	Benchmark hedging rate	Current hedging
Cash and cash equivalents	No foreign currency exposure	n/a
NZ fixed interest	No foreign currency exposure	n/a
International fixed interest	Benchmark 100% hedged	100%
Australasian listed property	Benchmark 100% hedged	101%
International listed property	Benchmark 100% hedged	98%
Australasian equities	Benchmark 50% AUD hedged (range of 0-100%)	50%
International equities	Benchmark 65% hedged (range of 0-100%)	64%

### Underlying investment managers

Cash and cash equivalents	ANZ Investments
NZ fixed interest	ANZ Investments
International fixed interest	Vanguard Investments Australia Limited
Australasian listed property	ANZ Investments
International listed property	CBRE Clarion Securities
Australasian equities	ANZ Investments, Arnhem Investment Management
International equities	The Franklin Equity Group, MFS Institutional Advisors, LSV Asset Management, Vontobel
Currency	ANZ Investments

<b>Launch date</b> 15 April 2010	<b>Minimum transaction amounts</b> Lump sum payments \$500 Regular payments \$50 Lump sum withdrawals \$500 Regular withdrawals \$100	<b>Detailed fund information</b> <a href="#">Guide and product disclosure statement (PDS)</a>
<b>Contact information</b> 0800 736 034 <a href="mailto:service@anzinvestments.co.nz">service@anzinvestments.co.nz</a> <a href="http://investments.anz.co.nz">investments.anz.co.nz</a>	<b>Fees</b> Annual fund charge 1.21%	<b>Forms to alter your investment</b> <a href="#">See form section of the PDS</a>

Information is current as at the date of this document and may change on a daily basis.

Past performance does not indicate future performance. The actual performance any given investor realises will depend on many things, is not guaranteed and may be negative as well as positive.

This document is for information purposes only. Its content is intended to be of a general nature, does not take into account your financial situation or goals, and is not a personalised financial adviser service under the Financial Advisers Act 2008. It is recommended you seek advice from an authorised financial adviser which takes into account your individual circumstances before you acquire a financial product. The OneAnswer Conservative Fund is offered and managed by ANZ New Zealand Investments Limited (ANZ Investments). Investments in the OneAnswer Conservative Fund are not deposits in ANZ Bank New Zealand Limited or Australia and New Zealand Banking Group Limited (together 'ANZ Group'), nor are they liabilities of ANZ Group. ANZ Group does not stand behind or guarantee ANZ Investments. Investments are subject to investment risk, including possible delays in repayment, and loss of income and principal invested. ANZ Group will not be liable to you for the capital value or performance of your investment. For a copy of the OneAnswer Multi-Asset-Class Funds guide and product disclosure statement, please contact ANZ Investments on 0800 736 034.

The Morningstar Analyst Rating for OneAnswer Multi-Asset-Class Funds assigned on 30 September 2016 is Silver. See [anzinvestments.co.nz/awards](http://anzinvestments.co.nz/awards) for our full awards history, ratings and disclaimers.

31 December 2017

## Conservative Balanced Fund



### Fund description

The Conservative Balanced Fund invests mainly in income assets (cash and cash equivalents and fixed interest), with some exposure to growth assets (equities and listed property). The fund may also invest in alternative assets.

### Market Review

The Conservative Balanced Fund holds a broad range of investments, both in New Zealand and overseas. Over the quarter, the fund returned 2.6% and remains comfortably ahead of its long term objective.

The fund has a significant weighting to fixed interest (bond) investments, which makes up around 45% of its holdings. We have been cautious on international bonds, as global interest rates look set to move higher and, generally, bonds do not do well in a rising interest rate environment. We held an underweight position to this asset class and this was of benefit as international bonds delivered only modest gains over the period. That said, the fund had an overweight allocation to cash. This held back performance as the returns from cash lagged behind those from all other investment markets during the quarter. The returns from international shares, which make up around 20% of the fund, were particularly strong. Strong global growth, some good corporate profit results and the likelihood of US shares getting a further boost from US tax reforms helped them to register good gains. While our underlying international share managers lagged the benchmark over the quarter, over the year as a whole they have done well and have contributed to the fund's strong long-term track record. Some good stock selection by our underlying investment managers also helped during the quarter. Of particular note was the fund's domestic and international listed property holdings, as well as in Australian shares, where our managers delivered above-benchmark returns.

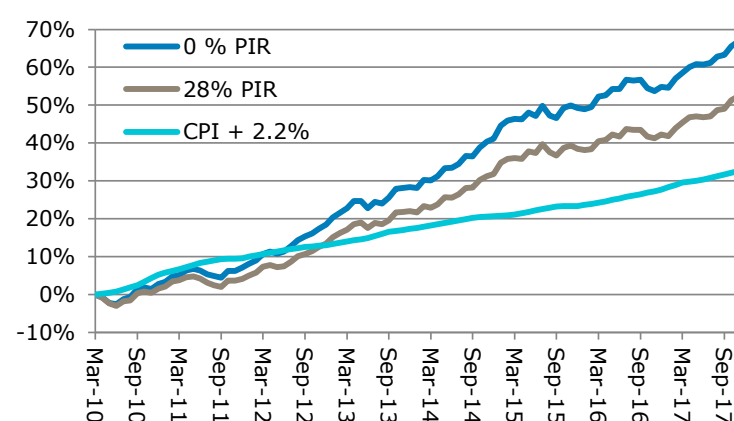
Our outlook is unchanged. We expect bond markets to struggle as global interest rates start moving higher and so we maintain our underweight position. While we believe international share markets will continue to do well, we hold a neutral position, as we recognise that markets look slightly overvalued at present.

### Fund performance

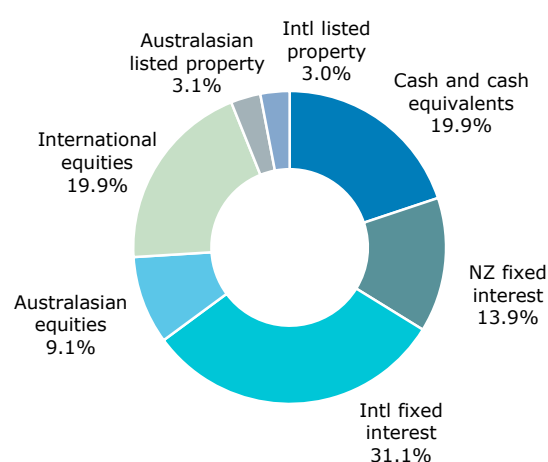
	1mth	3mth	6mth	1yr	3yrs	5yrs	Since Inception
0% PIR	0.4%	2.6%	4.3%	8.2%	5.9%	7.2%	6.9%
28% PIR	0.2%	2.5%	4.1%	7.4%	5.0%	6.1%	5.6%

Performance is after fund fees and stated PIR. The 28% PIR return series shows returns at the highest PIR at the time of the performance. Performance for periods longer than one year are annualised.

### Fund performance since inception

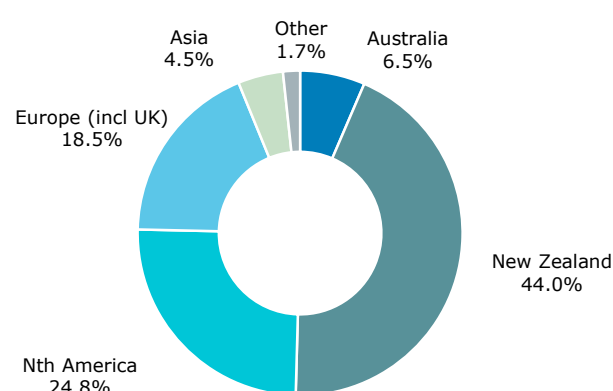


### Actual investment mix



The actual investment mix of this fund is based on the cash and cash equivalents held by the fund, and the asset class of the underlying funds in which the fund invests.

### Country allocation



### Top 10 Holdings

1	NZ Govt Stock 5.0% 2019	2.0%
2	NZ Govt Stock 6.0% 2021	1.4%
3	NZ Govt Stock 5.5% 2023	1.1%
4	NZ Govt Stock 3.0% 2020	0.9%
5	BNZ RCD 16/03/2018	0.8%
6	BNZ RCD 05/02/2018	0.8%
7	ASB RCD 16/03/2018	0.8%
8	ANZ FRN 22/03/2019	0.7%
9	ANZ FRN 21/12/2020	0.7%
10	NZ Govt Stock 4.5% 2027	0.7%

Total Top 10 Holdings	9.9%
# of other holdings	1595

### Asset class performance (before fund fees and tax)

	1mth	3mth	6mth	1yr	3yrs	5yrs
Cash and cash equivalents	0.2%	0.7%	1.3%	2.7%	3.1%	3.3%
NZ Fixed Interest	0.3%	1.6%	2.7%	5.7%	5.3%	4.5%
International Fixed Interest	0.1%	0.8%	1.3%	3.1%	4.0%	4.8%
Australasian listed property	3.2%	7.5%	8.7%	14.6%	11.5%	14.3%
International listed property	2.0%	4.9%	6.2%	9.2%	6.6%	10.9%
Australasian equities	1.9%	8.2%	12.7%	19.7%	11.0%	12.3%
International equities (unhedged)	-1.9%	6.9%	13.6%	25.2%	15.1%	16.7%

Performance by asset class shows the performance of the underlying wholesale strategies in which the fund invests. Asset allocation decisions, hedging, fees and other factors will influence the return received by the fund. Performance for periods longer than one year are annualised.

## Conservative Balanced Fund

### Target investment mix and ranges

Asset Mix	Target Class	Range	Aggregate Ranges
Cash and cash equivalents	15.0%	0-35%	50-80
NZ fixed interest	15.0%	0-30%	
International fixed interest	35.0%	20-50%	
Australasian listed property	3.0%	0-16%	20-50
International listed property	3.0%		
Australasian equities	9.0%	0-24%	
International equities	20.0%	5-35%	
Other (inc alternatives)	0.0%	0-10%	
Total	100.0%		

### Hedging levels

	Benchmark hedging rate	Current hedging
Cash and cash equivalents	No foreign currency exposure	n/a
NZ fixed interest	No foreign currency exposure	n/a
International fixed interest	Benchmark 100% hedged	100%
Australasian listed property	Benchmark 100% hedged	101%
International listed property	Benchmark 100% hedged	98%
Australasian equities	Benchmark 50% AUD hedged (range of 0-100%)	50%
International equities	Benchmark 65% hedged (range of 0-100%)	63%

### Underlying investment managers

Cash and cash equivalents	ANZ Investments
NZ fixed interest	ANZ Investments
International fixed interest	Vanguard Investments Australia Limited
Australasian listed property	ANZ Investments
International listed property	CBRE Clarion Securities
Australasian equities	ANZ Investments, Arnhem Investment Management
International equities	The Franklin Equity Group, MFS Institutional Advisors, LSV Asset Management, Vontobel
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<b>Launch date</b> 15 April 2010	<b>Minimum transaction amounts</b> Lump sum payments \$500 Regular payments \$50 Lump sum withdrawals \$500 Regular withdrawals \$100	<b>Detailed fund information</b> <a href="#">Guide and product disclosure statement (PDS)</a>
<b>Contact information</b> 0800 736 034 <a href="mailto:service@anzinvestments.co.nz">service@anzinvestments.co.nz</a> <a href="http://investments.anz.co.nz">investments.anz.co.nz</a>	<b>Fees</b> Annual fund charge 1.26%	<b>Forms to alter your investment</b> <a href="#">See form section of the PDS</a>

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31 December 2017

## Balanced Fund



### Fund description

The Balanced Fund invests in similar amounts of income assets (cash and cash equivalents and fixed interest) and growth assets (equities and listed property). The fund may also invest in alternative assets.

### Market Review

The Balanced Fund holds a broad range of investments, both in New Zealand and overseas. Over the quarter, the fund returned 3.4% and remains comfortably ahead of its long term objective.

International shares, which make up around 30% of the fund, were particularly strong. Strong global growth, some good corporate profit results and the likelihood of US share markets getting a further boost from US tax reforms helped them to register good gains. While our underlying international share managers lagged the benchmark over the quarter, over the year they as a whole they have done well and have contributed to the fund's strong long-term track record.

The fund's strategic positioning had a slight positive impact on returns over the quarter. Its underweight position in fixed interest (bond) markets helped, as international bonds delivered only modest gains. That said, its overweight allocation to cash held back performance as the returns from cash lagged behind those from all other investment markets during the quarter. Some good stock selection by our underlying investment managers also helped during the quarter. Of particular note was the fund's domestic and international listed property holdings, as well as in Australian shares, where our managers delivered above-benchmark returns.

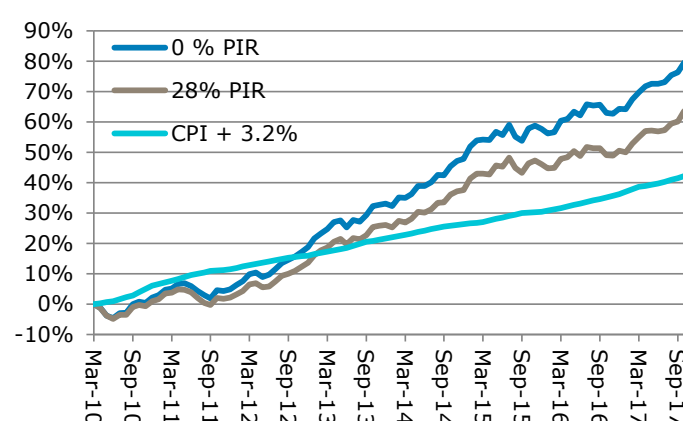
Our outlook is unchanged. We expect bond markets to struggle as global interest rates start moving higher and so we maintain our underweight position. While we believe international share markets will continue to do well, we hold a neutral position, as we recognise that markets look slightly overvalued at present.

### Fund performance

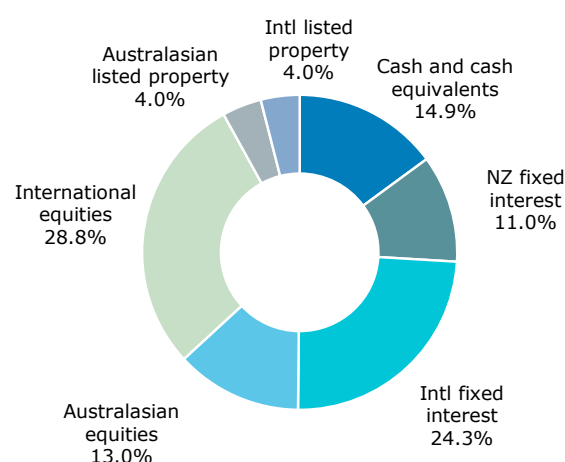
	1mth	3mth	6mth	1yr	3yrs	5yrs	Since Inception
0% PIR	0.5%	3.4%	5.7%	10.9%	7.2%	9.0%	8.1%
28% PIR	0.3%	3.3%	5.4%	9.9%	6.3%	7.8%	6.7%

Performance is after fund fees and stated PIR. The 28% PIR return series shows returns at the highest PIR at the time of the performance. Performance for periods longer than one year are annualised.

### Fund performance since inception

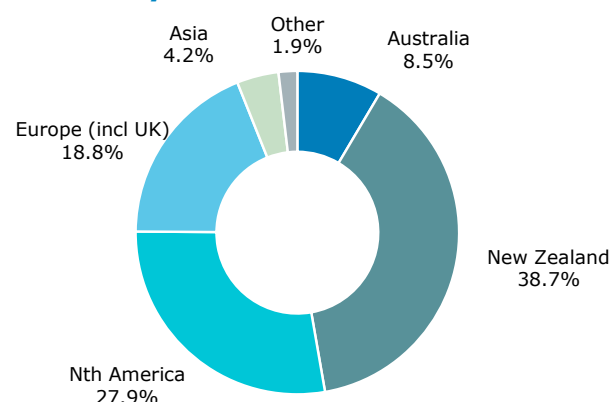


### Actual investment mix



The actual investment mix of this fund is based on the cash and cash equivalents held by the fund, and the asset class of the underlying funds in which the fund invests.

### Country allocation



### Top 10 Holdings

1	NZ Govt Stock 5.0% 2019	1.6%
2	NZ Govt Stock 6.0% 2021	1.1%
3	NZ Govt Stock 5.5% 2023	0.8%
4	NZ Govt Stock 3.0% 2020	0.7%
5	BNZ RCD 16/03/2018	0.7%
6	Kiwi Income Property Trust	0.6%
7	BNZ RCD 05/12/2017	0.6%
8	Precinct Property NZ Ltd	0.6%
9	Visa Inc	0.6%
10	Fisher And Paykel Healthcare	0.6%

Total Top 10 Holdings	7.9%
# of other holdings	1595

### Asset class performance (before fund fees and tax)

	1mth	3mth	6mth	1yr	3yrs	5yrs
Cash and cash equivalents	0.2%	0.7%	1.3%	2.7%	3.1%	3.3%
NZ Fixed Interest	0.3%	1.6%	2.7%	5.7%	5.3%	4.5%
International Fixed Interest	0.1%	0.8%	1.3%	3.1%	4.0%	4.8%
Australasian listed property	3.2%	7.5%	8.7%	14.6%	11.5%	14.3%
International listed property	2.0%	4.9%	6.2%	9.2%	6.6%	10.9%
Australasian equities	1.9%	8.2%	12.7%	19.7%	11.0%	12.3%
International equities (unhedged)	-1.9%	6.9%	13.6%	25.2%	15.1%	16.7%

Performance by asset class shows the performance of the underlying wholesale strategies in which the fund invests. Asset allocation decisions, hedging, fees and other factors will influence the return received by the fund. Performance for periods longer than one year are annualised.

## Balanced Fund

### Target investment mix and ranges

Asset Class Mix	Target	Range	Aggregate Ranges
Cash and cash equivalents	10.0%	0-30%	35-65
NZ fixed interest	12.0%	0-27%	
International fixed interest	28.0%	13-43%	
Australasian listed property	4.0%	0-18%	35-65
International listed property	4.0%		
Australasian equities	13.0%	0-28%	
International equities	29.0%	14-44%	
Other (inc alternatives)	0.0%	0-12%	
Total	100.0%		

### Hedging levels

	Benchmark hedging rate	Current hedging
Cash and cash equivalents	No foreign currency exposure	n/a
NZ fixed interest	No foreign currency exposure	n/a
International fixed interest	Benchmark 100% hedged	100%
Australasian listed property	Benchmark 100% hedged	101%
International listed property	Benchmark 100% hedged	98%
Australasian equities	Benchmark 50% AUD hedged (range of 0-100%)	50%
International equities	Benchmark 65% hedged (range of 0-100%)	63%

### Underlying investment managers

Cash and cash equivalents	ANZ Investments
NZ fixed interest	ANZ Investments
International fixed interest	Vanguard Investments Australia Limited
Australasian listed property	ANZ Investments
International listed property	CBRE Clarion Securities
Australasian equities	ANZ Investments, Arnhem Investment Management
International equities	The Franklin Equity Group, MFS Institutional Advisors, LSV Asset Management, Vontobel
Currency	ANZ Investments

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<b>Contact information</b> 0800 736 034 <a href="mailto:service@anzinvestments.co.nz">service@anzinvestments.co.nz</a> <a href="http://investments.anz.co.nz">investments.anz.co.nz</a>	<b>Fees</b> Annual fund charge 1.31%	<b>Forms to alter your investment</b> <a href="#">See form section of the PDS</a>

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31 December 2017

## Balanced Growth Fund



### Fund description

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### Market Review

The Balanced Growth Fund holds a broad range of investments, both in New Zealand and overseas. Over the quarter, the fund returned 4.2% and remains comfortably ahead of its long term objective.

International shares, which make up around 40% of the fund, were particularly strong. Strong global growth, some good corporate profit results and the likelihood of US share markets getting a further boost from US tax reforms helped them to register good gains. While our underlying international share managers lagged the benchmark over the quarter, over the year as a whole they have done well and have contributed to the fund's strong long-term track record.

The fund's strategic positioning had a slight positive impact on returns over the quarter. Its underweight position in fixed interest (bond) markets helped, as international bonds delivered only modest gains. That said, its overweight allocation to cash held back performance as the returns from cash lagged behind those from all other investment markets during the quarter.

Some good stock selection by our underlying investment managers also helped during the quarter. Of particular note was the fund's domestic and international listed property holdings, as well as in Australian shares, where our managers delivered above-benchmark returns.

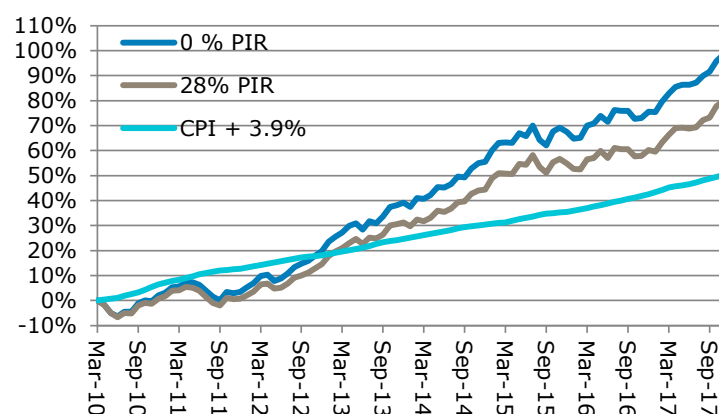
Our outlook is unchanged. We expect bond markets to struggle as global interest rates start moving higher and so we maintain our underweight position. While we believe international share markets will continue to do well, we hold a neutral position, as we recognise that markets look slightly overvalued at present.

### Fund performance

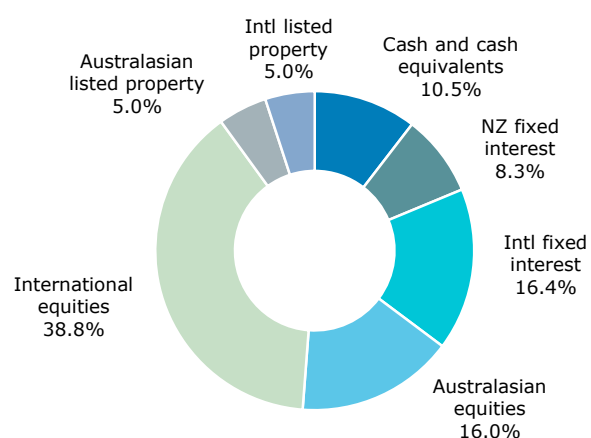
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### Fund performance since inception

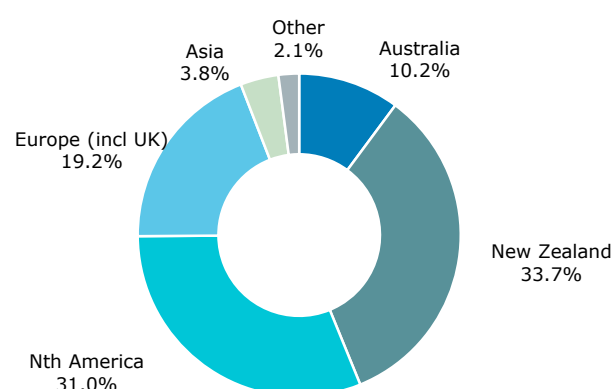


### Actual investment mix



The actual investment mix of this fund is based on the cash and cash equivalents held by the fund, and the asset class of the underlying funds in which the fund invests.

### Country allocation



### Top 10 Holdings

1	NZ Govt Stock 5.0% 2019	1.2%
2	Visa Inc	0.8%
3	NZ Govt Stock 6.0% 2021	0.8%
4	Kiwi Income Property Trust	0.8%
5	Precinct Property NZ Ltd	0.8%
6	Fisher And Paykel Healthcare	0.8%
7	Westpac Banking Corporation	0.7%
8	Reckitt Benckiser	0.7%
9	Spark New Zealand Ltd	0.7%
10	NZ Govt Stock 5.5% 2023	0.6%

Total Top 10 Holdings	7.9%
# of other holdings	1595

### Asset class performance (before fund fees and tax)

	1mth	3mth	6mth	1yr	3yrs	5yrs
Cash and cash equivalents	0.2%	0.7%	1.3%	2.7%	3.1%	3.3%
NZ Fixed Interest	0.3%	1.6%	2.7%	5.7%	5.3%	4.5%
International Fixed Interest	0.1%	0.8%	1.3%	3.1%	4.0%	4.8%
Australasian listed property	3.2%	7.5%	8.7%	14.6%	11.5%	14.3%
International listed property	2.0%	4.9%	6.2%	9.2%	6.6%	10.9%
Australasian equities	1.9%	8.2%	12.7%	19.7%	11.0%	12.3%
International equities (unhedged)	-1.9%	6.9%	13.6%	25.2%	15.1%	16.7%

Performance by asset class shows the performance of the underlying wholesale strategies in which the fund invests. Asset allocation decisions, hedging, fees and other factors will influence the return received by the fund. Performance for periods longer than one year are annualised.

## Balanced Growth Fund

### Target investment mix and ranges

Asset Class Mix	Target	Range	Aggregate Ranges
Cash and cash equivalents	6.0%	0-26%	20-50
NZ fixed interest	9.0%	0-24%	
International fixed interest	20.0%	5-35%	
Australasian listed property	5.0%	0-20%	50-80
International listed property	5.0%		
Australasian equities	16.0%	1-31%	
International equities	39.0%	24-54%	
Other (inc alternatives)	0.0%	0-15%	
Total	100.0%		

### Hedging levels

	Benchmark hedging rate	Current hedging
Cash and cash equivalents	No foreign currency exposure	n/a
NZ fixed interest	No foreign currency exposure	n/a
International fixed interest	Benchmark 100% hedged	100%
Australasian listed property	Benchmark 100% hedged	101%
International listed property	Benchmark 100% hedged	98%
Australasian equities	Benchmark 50% AUD hedged (range of 0-100%)	50%
International equities	Benchmark 65% hedged (range of 0-100%)	63%

### Underlying investment managers

Cash and cash equivalents	ANZ Investments
NZ fixed interest	ANZ Investments
International fixed interest	Vanguard Investments Australia Limited
Australasian listed property	ANZ Investments
International listed property	CBRE Clarion Securities
Australasian equities	ANZ Investments, Arnhem Investment Management
International equities	The Franklin Equity Group, MFS Institutional Advisors, LSV Asset Management, Vontobel
Currency	ANZ Investments

<b>Launch date</b> 15 April 2010	<b>Minimum transaction amounts</b> Lump sum payments \$500 Regular payments \$50 Lump sum withdrawals \$500 Regular withdrawals \$100	<b>Detailed fund information</b> <a href="#">Guide and product disclosure statement (PDS)</a>
<b>Contact information</b> 0800 736 034 <a href="mailto:service@anzinvestments.co.nz">service@anzinvestments.co.nz</a> <a href="http://investments.anz.co.nz">investments.anz.co.nz</a>	<b>Fees</b> Annual fund charge 1.31%	<b>Forms to alter your investment</b> <a href="#">See form section of the PDS</a>

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Past performance does not indicate future performance. The actual performance any given investor realises will depend on many things, is not guaranteed and may be negative as well as positive.

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The Morningstar Analyst Rating for OneAnswer Multi-Asset-Class Funds assigned on 30 September 2016 is Silver. See [anzinvestments.co.nz/awards](http://anzinvestments.co.nz/awards) for our full awards history, ratings and disclaimers.



31 December 2017

## Growth Fund



### Fund description

The Growth Fund invests mainly in growth assets (equities and listed property), with a smaller exposure to income assets (cash and cash equivalents and fixed interest). The fund may also invest in alternative assets.

### Market Review

The Growth Fund holds a broad range of investments, both in New Zealand and overseas. Over the quarter, the fund returned 5.0% and remains comfortably ahead of its long term objective.

International shares, which make up around half of the fund, were particularly strong. Strong global growth, some good corporate profit results and the likelihood of US share markets getting a further boost from US tax reforms helped them to register good gains. While our underlying international share managers lagged the benchmark over the quarter, over the year as a whole they have done well and have contributed to the fund's strong long-term track record.

The fund's strategic positioning had a slight positive impact on returns over the quarter. Its underweight position in fixed interest (bond) markets helped, as international bonds delivered only modest gains. That said, its overweight allocation to cash held back performance as the returns from cash lagged behind those from all other investment markets during the quarter. Some good stock selection by our underlying investment managers also helped during the quarter. Of particular note was the fund's domestic and international listed property holdings, as well as in Australian shares, where our managers delivered above-benchmark returns.

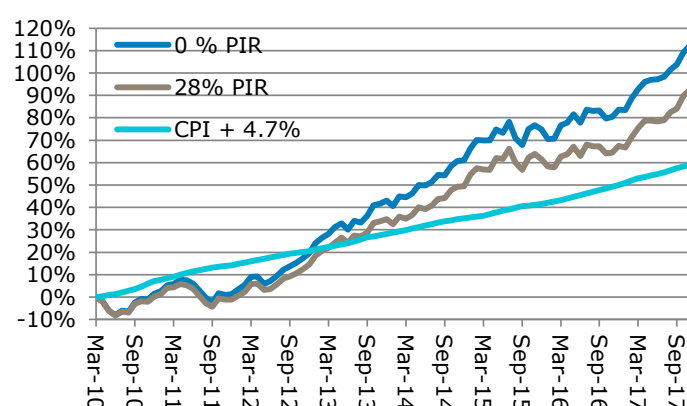
Our outlook is unchanged. We expect bond markets to struggle as global interest rates start moving higher and so we maintain our underweight position. While we believe international share markets will continue to do well, we hold a neutral position, as we recognise that markets look slightly overvalued at present.

### Fund performance

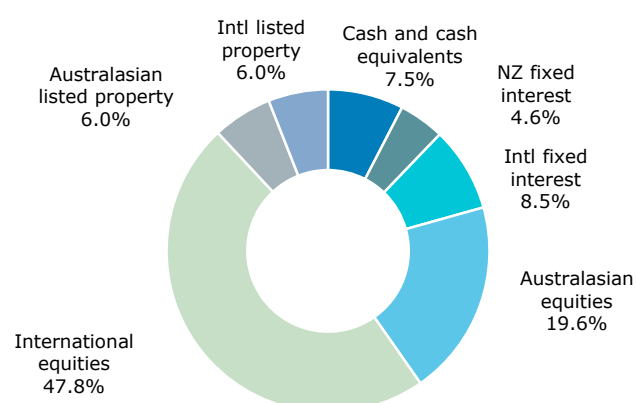
	1mth	3mth	6mth	1yr	3yrs	5yrs	Since Inception
0% PIR	0.8%	5.0%	8.5%	16.5%	9.9%	12.3%	10.4%
28% PIR	0.4%	5.0%	8.3%	15.3%	8.9%	11.0%	8.9%

Performance is after fund fees and stated PIR. The 28% PIR return series shows returns at the highest PIR at the time of the performance. Performance for periods longer than one year are annualised.

### Fund performance since inception

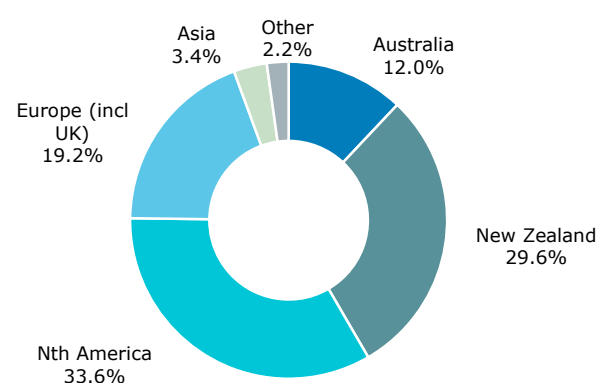


### Actual investment mix



The actual investment mix of this fund is based on the cash and cash equivalents held by the fund, and the asset class of the underlying funds in which the fund invests.

### Country allocation



### Top 10 Holdings

1	Visa Inc	1.0%
2	Kiwi Income Property Trust	1.0%
3	Fisher And Paykel Healthcare	0.9%
4	Precinct Property NZ Ltd	0.9%
5	Westpac Banking Corporation	0.9%
6	Reckitt Benckiser	0.9%
7	Spark New Zealand Ltd	0.8%
8	Roche Holding AG	0.7%
9	Commonwealth Bank Of Australia	0.7%
10	HDFC Bank Ltd	0.7%

Total Top 10 Holdings	8.6%
# of other holdings	1595

### Asset class performance (before fund fees and tax)

	1mth	3mth	6mth	1yr	3yrs	5yrs
Cash and cash equivalents	0.2%	0.7%	1.3%	2.7%	3.1%	3.3%
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International equities (unhedged)	-1.9%	6.9%	13.6%	25.2%	15.1%	16.7%

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## Growth Fund

### Target investment mix and ranges

Asset Mix	Target Class	Range	Aggregate Ranges
Cash and cash equivalents	4.0%	0-24%	0-40
NZ fixed interest	5.0%	0-25%	
International fixed interest	11.0%	0-31%	
Australasian listed property	6.0%	0-22%	60-100
International listed property	6.0%		
Australasian equities	20.0%	0-40%	
International equities	48.0%	28-68%	
Other (inc alternatives)	0.0%	0-15%	
Total	100.0%		

### Hedging levels

	Benchmark hedging rate	Current hedging
Cash and cash equivalents	No foreign currency exposure	n/a
NZ fixed interest	No foreign currency exposure	n/a
International fixed interest	Benchmark 100% hedged	100%
Australasian listed property	Benchmark 100% hedged	101%
International listed property	Benchmark 100% hedged	98%
Australasian equities	Benchmark 50% AUD hedged (range of 0-100%)	50%
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### Underlying investment managers

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<b>Contact information</b> 0800 736 034 <a href="mailto:service@anzinvestments.co.nz">service@anzinvestments.co.nz</a> <a href="http://investments.anz.co.nz">investments.anz.co.nz</a>	<b>Fees</b> Annual fund charge 1.41%	<b>Forms to alter your investment</b> <a href="#">See form section of the PDS</a>

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