

31 October 2018

Equity Selection Fund

Fund description

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.

Market and fund review

The fund delivered a negative return of 4.9% for the month. Over one year, the fund has returned 0.7%.

The fund is a concentrated portfolio of around 15 stocks. Companies typically make it into this fund where we have a higher conviction they will outperform over the long term. The fund invests both in New Zealand and Australian companies.

New Zealand shares took their lead from their overseas counterparts, with the NZX 50 Index falling 6.4% over the month. This is the largest monthly decline since May 2010. Larger companies underperformed their medium-sized counterparts. At a sector level, communication services, property and utilities were the better performers, while energy, healthcare and financials were the weaker ones.

The fund's cash holdings were of benefit to relative performance this month, during a time when share markets fell sharply.

However, the fund's positioning within the healthcare sector (one of the weaker sectors this month) delivered mixed results. The fund held positions in both Ryman Healthcare and Metlifecare, whose shares were down around 13% and 10% respectively over the month.

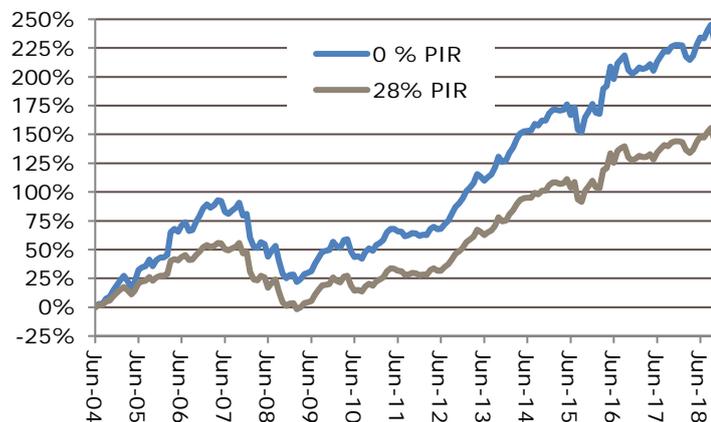
The fund's holding in Z Energy was also a detractor. Its shares fell by almost 15% given news of a Commerce Commission enquiry into fuel prices, which is likely to hang over the energy sector for a while. Its operational performance has also been affected by supply chain disruptions and record high fuel pump prices. Its acquisition of electricity retailing business, Flick Energy, also negatively impacted its share price.

Fund performance

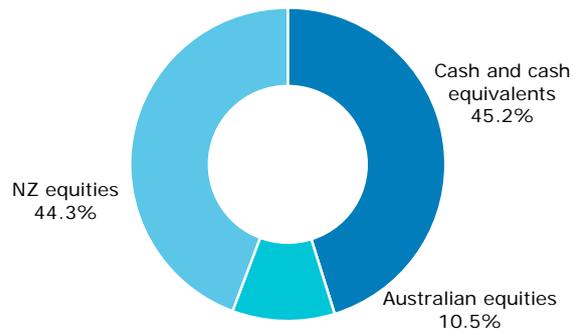
	1mth	3mth	6mth	1yr	3yrs (ann)	5yrs (ann)	Since Launch (ann)
At 0% PIR Tax	-4.9%	-1.4%	3.2%	0.7%	7.5%	7.3%	8.6%
At 28% PIR Tax	-4.9%	-1.7%	2.7%	0.1%	6.5%	6.4%	6.4%

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. The fund became a PIE fund on 1 October 2007. Performance of the 0% PIR prior to this date has been recalculated on a before tax basis. Performance of the 28% PIR prior to this date are reflective of the tax regime for that period. Performance for periods longer than one year are annualised.

Fund performance since launch



Actual investment mix*



* The actual investment mix of this fund is based on:

- the cash and cash equivalents,
- Australian and New Zealand equity assets

held by both the fund itself and the underlying fund in which the fund invests.

Top 5 Holdings

1	Metlifecare Ltd	9.4%
2	Ryman Healthcare Ltd	6.3%
3	New Zealand Exchange Ltd	5.3%
4	Mainfreight Ltd	4.9%
5	Meridian Energy Ltd	4.8%
Total Top 5 Holdings		30.7%
# of Share Holdings		12

Equity Selection Fund

Current fund structure



Additional fund details

Minimum transaction size

Lump sum withdrawals	\$500
Regular withdrawals	\$100

Fees

Annual fund charge	1.29%
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Launch date

1 July 2004

Detailed fund information

[Guide and product disclosure statement](#)

Forms to alter your investment

[See form section of product disclosure statement](#)

Contact information

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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.

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