

31 October 2018



International Share Fund

Fund description

Invests mainly in international equities. Investments may include equities in companies that are listed on a recognised stock exchange, and cash and cash equivalents.

Market and fund review

The fund delivered a negative return of 6.0% for the month. Over one year, the fund has returned 4.2%.

It was a difficult month for investors in shares, as ongoing trade tensions, a pick-up in geopolitical risk (with approaching mid-term elections in the US) and a mixed company earnings season all combined to send share markets sharply lower. Technology companies bore the brunt of the heavy selling, after being one of the better-performing sectors this year.

Three of the fund's four underlying managers outperformed the market, although they all lost ground over the month. Core manager Vontobel was the best performer this month. Strong company selection within the fund's financials holdings was beneficial, such as its holding in CME Group, an owner and operator of options and future exchanges around the world. It was the manager's best-performing holding as shares rose almost 10%.

Value manager LSV also fared reasonably well. Some good stock selection within the fund's consumer-related stocks was beneficial. That included holdings in US pharmacy store Walgreens, global fish farming company Greig Seafood, and US automobile company General Motors.

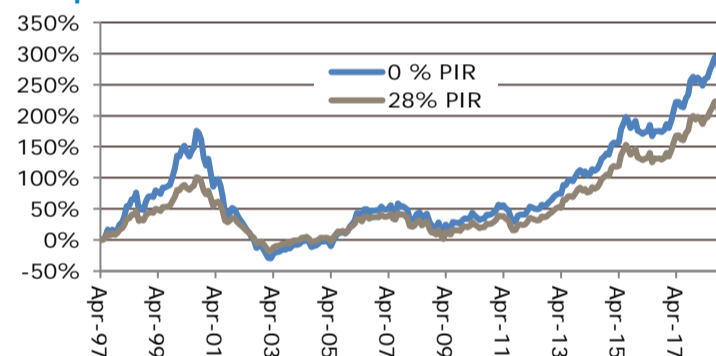
Growth manager Franklin was the weakest-performing manager this month. Two of the fund's energy services holdings were a drag on performance, with Core Laboratories and Schlumberger underperforming the broader market. Its zero weighting to the consumer staples sector also held back returns, since it was one of the better-performing sectors this month.

Fund performance

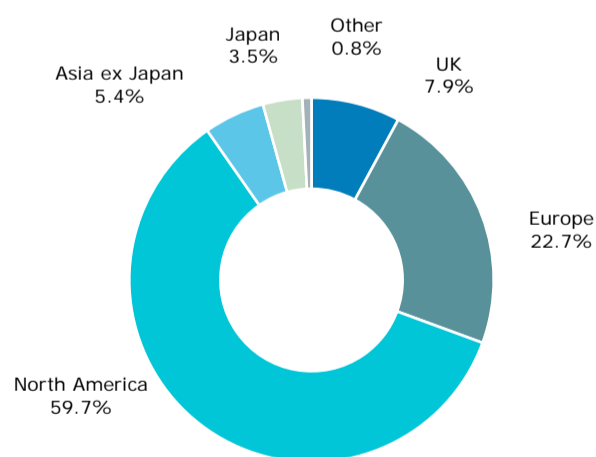
	1mth	3mth	6mth	1yr	3yrs (ann)	5yrs (ann)	Since Launch (ann)
At 0% PIR Tax	-6.0%	-2.8%	3.3%	4.2%	9.1%	12.8%	6.3%
At 28% PIR Tax	-6.0%	-3.1%	2.6%	3.0%	7.9%	11.5%	5.3%

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.

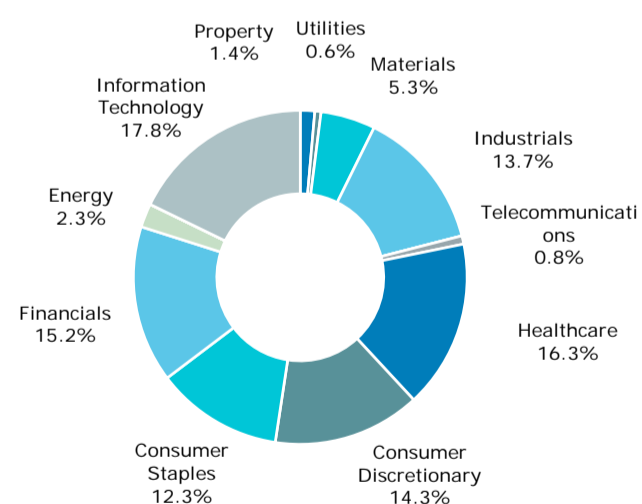
Fund performance since launch



Country Allocation



Sector Allocation



Top 10 Holdings

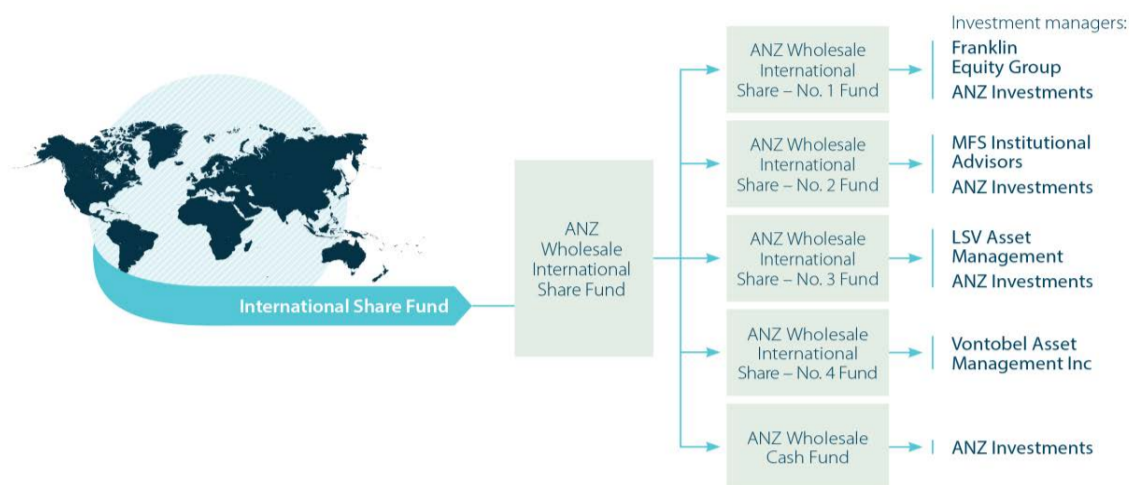
1	S&P 500 Future Dec 18	3.7%
2	Visa Inc	2.4%
3	Medtronic PLC	1.7%
4	Nestle SA	1.4%
5	Reckitt Benckiser	1.4%
6	Comcast Corp	1.4%
7	Thermo Fisher Scientific Inc	1.3%
8	HDFC Bank Ltd	1.3%
9	Walt Disney Corporation	1.3%
10	Accenture PLC	1.1%
Total Top 10 Holdings		17.0%
# of Share Holdings		451

Hedging Levels

Benchmark hedging rate	Current Hedging
0%	0%

International Share Fund

Current fund structure



External fund managers

The Franklin Equity Group

The Franklin Equity Group (Franklin), a part of Franklin Templeton Investments, manages a portfolio of international equities. Franklin aims to invest in quality companies with the potential to produce sustainable earnings and cash flow growth.

MFS Institutional Advisors

MFS Institutional Advisors Inc. (MFSI) manages a portfolio of international equities. MFSI aims to invest in quality companies with sustainable, above-average growth and returns.

LSV Asset Management

LSV Asset Management (LSV) manages a portfolio of international equities. LSV aims to invest in out-of-favour or undervalued stocks that have the potential for near-term appreciation.

Vontobel

Vontobel Asset Management Inc (Vontobel) manages a portfolio of international equities. Vontobel aims to invest in sensibly priced, high-quality companies that can grow earnings faster than the market on a sustainable basis.

Additional fund information

Minimum transaction size

Lump sum withdrawals	\$500
Regular withdrawals	\$100

Fees

Annual fund charge	1.29%
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Launch date

8 April 1997

Detailed fund information

[Guide and product disclosure statement](#)

Forms to alter your investment

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

Contact information

0800 736 034

service@anzinvestments.co.nz

investments.anz.co.nz

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