

31 December 2017



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 returned 6.6% over the quarter, extending its return over one year to 24.0%. The fund adopts a multi-manager approach by investing with four underlying managers. This provides investors with access to contrasting investment styles, each of which should perform differently over the course of an investment cycle.

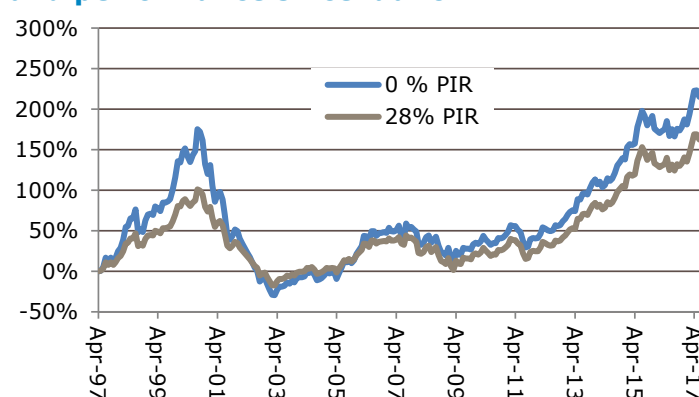
Global share markets had a strong quarter. Markets were buoyed by signs of synchronised global growth, upbeat company earnings announcement and as President Trump's tax bill was passed by the US Senate – meaning tax cuts are on their way for corporate America. The New Zealand dollar fell by 2.5% over the period on a trade-weighted basis, boosting the returns for unhedged investors, the fund is currently unhedged. Two out of the four managers outperformed over the quarter. Growth manager Franklin continued its strong run, meaning that over the year as a whole this manager has returned almost 35% for its investors. Standout performances during the quarter came from its holdings in US sealant, adhesive and coating company Nordson Corporation, and Argentinian e-commerce company MercadoLibre. 'Core' manager Vontobel was also ahead of its benchmark. Notable performances came from its holdings in consumer stocks, such as sportswear company Nike, and Couche-Tarde, one of the world's largest convenience store operators. The fund's other 'core' manager MFS was behind its benchmark however. Its overweight to health care stocks was a particular drag on performance as this sector underperformed the broader market.

Fund performance

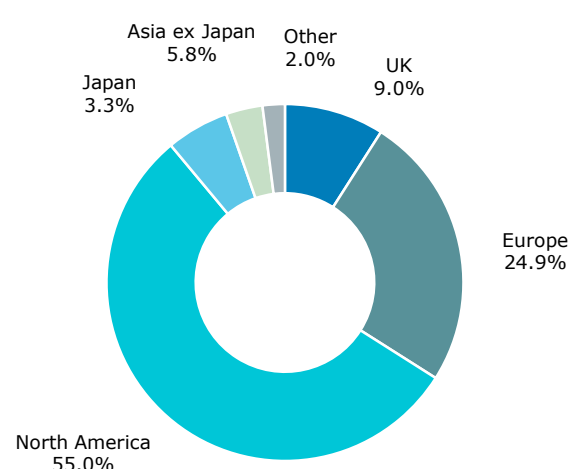
	1mth	3mth	6mth	1yr	3yrs (ann)	5yrs (ann)	Since Launch (ann)
At 0% PIR Tax	-2.0%	6.6%	12.9%	24.0%	14.4%	16.6%	6.3%
At 28% PIR Tax	-2.0%	6.2%	12.1%	22.4%	13.0%	15.3%	5.4%

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.

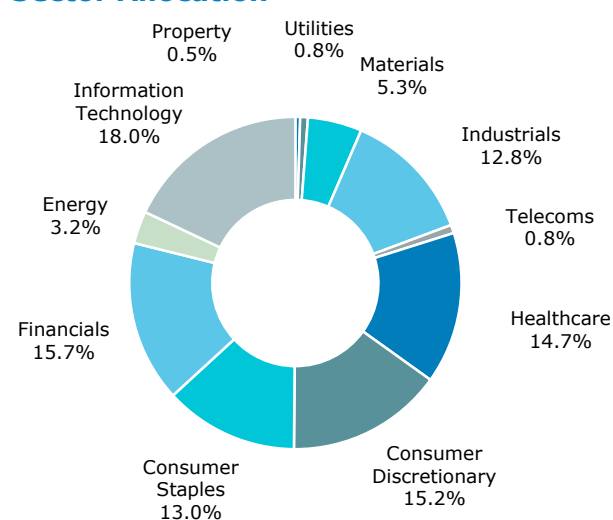
Fund performance since launch



Country Allocation



Sector Allocation



Top 10 Holdings

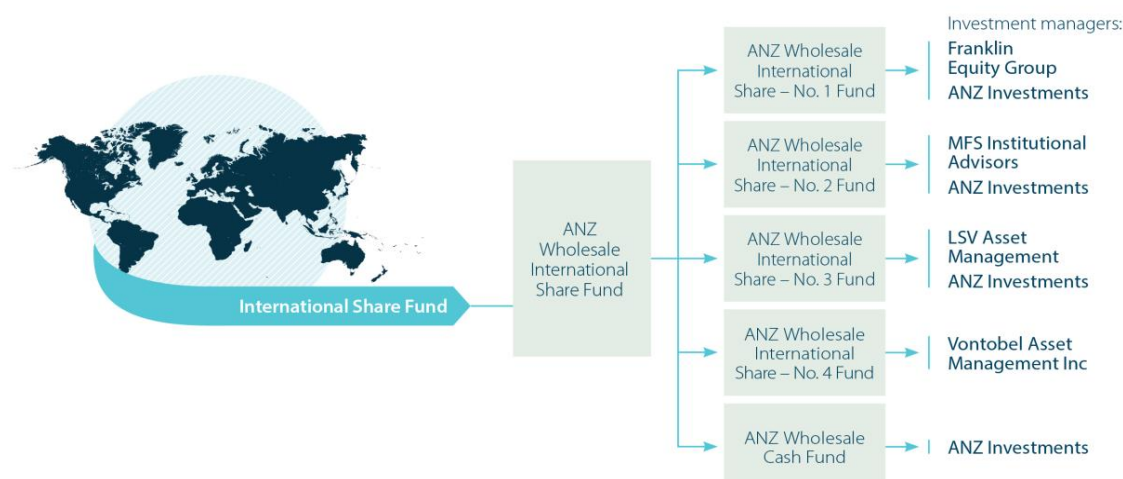
1	Visa Inc	2.1%
2	Reckitt Benckiser	1.9%
3	Roche Holding AG	1.5%
4	HDFC Bank Ltd	1.5%
5	Medtronic PLC	1.4%
6	Nestle SA	1.4%
7	Thermo Fisher Scientific Inc	1.2%
8	Bayer AG	1.1%
9	Walt Disney Corporation	1.1%
10	Accenture PLC	1.1%
Total Top 10 Holdings		14.3%
# of Share Holdings		450

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 payments	\$500
Regular payments	\$50
Lump sum withdrawals	\$500
Regular withdrawals	\$100
Withdrawal size	\$500

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](#)

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