

31 December 2017

New Zealand Share Fund

Fund description

Invests mainly in New Zealand equities. Investments may include equities in companies that are listed or intend to list on the New Zealand stock exchange, and cash and cash equivalents.

Market and fund review

The fund returned 5.1% over the quarter, extending its return over the year to 19.6%.

New Zealand shares delivered good gains, helped by strong economic growth, ongoing strength in international share markets and positive company news flow from many New Zealand businesses.

Benefiting the fund was an underweight position in online accounting software company Xero. Its shares lagged behind the broader market on news that it will de-list from the New Zealand stock exchange and pursue a sole listing on the Australian stock exchange.

Overweight positions in New Zealand King Salmon and Ryman Healthcare were also of benefit during the quarter. New Zealand King Salmon's rose by almost 30% on the back of a positive earnings upgrade. Meanwhile the country's biggest retirement village operator and developer said it had boosted first half profit and was raising its interim dividend. Its shares rose to a record high.

Holding back performance was the fund's higher-than-usual cash weighting, reflecting our view that market valuations are expensive. Our investment philosophy is to buy the right companies at the right price, however, the high cash weighting held back performance during a time when the share market performed well.

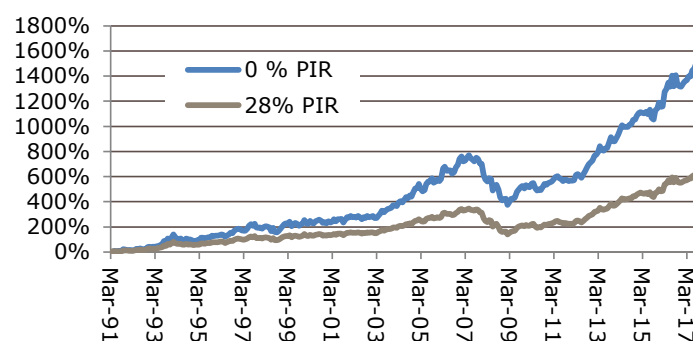
Also detracting from returns was the fund's overweight position in Tegel Group. Shares in the poultry producer fell sharply following a disappointing first-half earnings result. An underweight in Tourism Holdings also hurt, as it did well on the back of a weaker New Zealand dollar and as it looks set to benefit from recent tax reforms in the US, which should help it to boost its annual profit.

Fund performance

	1mth	3mth	6mth	1yr	3yrs (ann)	5yrs (ann)	Since Launch (ann)
At 0% PIR Tax	2.3%	5.1%	9.8%	19.6%	12.7%	15.4%	11.1%
At 28% PIR Tax	2.3%	5.0%	9.1%	18.2%	11.3%	14.0%	7.9%

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. 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.

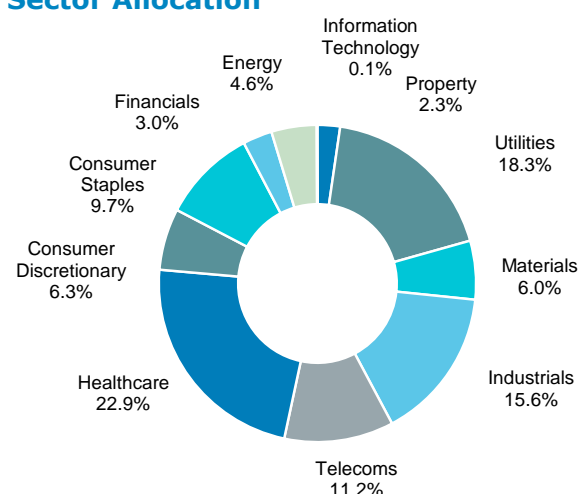
Fund performance since launch



Top 10 Share Holdings

1	Fisher and Paykel Healthcare	9.6%
2	Spark New Zealand Ltd	8.4%
3	Ryman Healthcare Ltd	6.4%
4	A2 Corp Limited	6.3%
5	Fletcher Building Ltd	5.6%
6	Contact Energy Ltd	5.4%
7	Auckland International Airport	5.2%
8	Meridian Energy Ltd	4.8%
9	Z Energy Ltd	4.3%
10	Mainfreight Ltd	3.3%
Total Top 10 Holdings		59.3%
# of Share Holdings		41

Sector Allocation



New Zealand Share Fund

Additional fund details

Minimum transaction size		Detailed fund information
Lump sum payments	\$500	Guide and product disclosure statement
Regular payments	\$50	
Lump sum withdrawals	\$500	Forms to alter your investment
Regular withdrawals	\$100	See form section of product disclosure statement
Withdrawal size	\$500	
Fees		Contact information
Annual fund charge	1.19%	0800 736 034
Launch date		service@anzinvestments.co.nz
1 February 1991		investments.anz.co.nz

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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