

31 October 2018

New Zealand Fixed Interest Fund

Fund description

Invests mainly in New Zealand fixed interest assets. Investments may include fixed interest assets issued by New Zealand or international entities denominated in New Zealand dollars, and cash and cash equivalents.

Market and fund review

The fund delivered a return of 0.4% for the month. Over one year, the fund has returned 4.0%.

New Zealand bonds outperformed their international counterparts over the month given the diverging path of interest rates in New Zealand and the rest of the world. As well as safe-haven buying, the local bond market was supported by a likelihood that interest rates will stay lower for longer.

The fund's defensive positioning had a negligible impact on relative performance over the course of the month. When global share markets were falling sharply, our positioning was beneficial to performance. However, this was offset as bond markets gave back some ground later in the period. It was a similar story with the fund's corporate bond holdings, as government bonds and corporate bonds delivered returns that were broadly in line with each other.

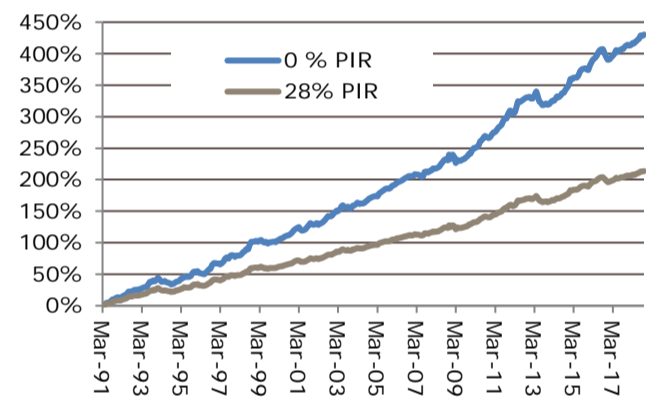
While the prospect of higher global interest rates will likely impact future returns from this asset class, it's important to remember that bonds play an important role in a diversified portfolio – by helping provide it with a solid foundation.

Fund performance

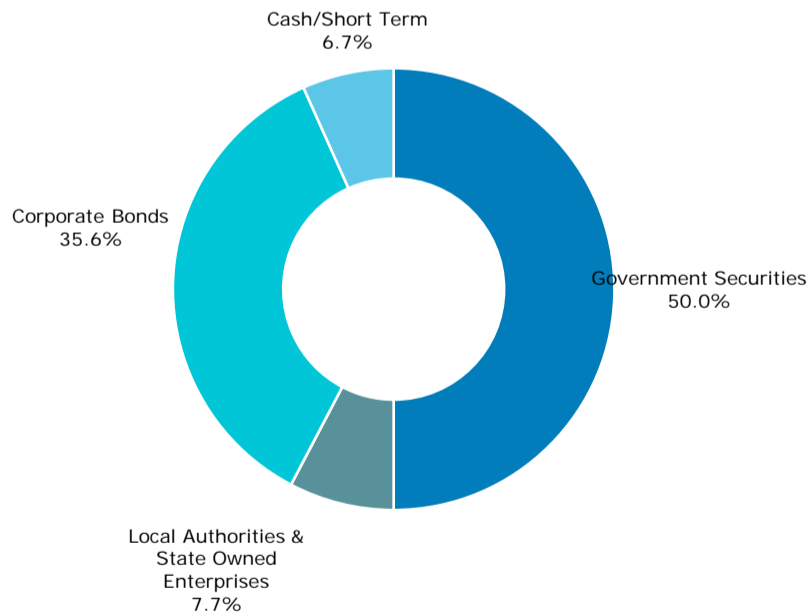
	1mth	3mth	6mth	1yr	3yrs (ann)	5yrs (ann)	Since Launch (ann)
At 0% PIR Tax	0.4%	1.4%	2.7%	4.0%	3.6%	4.7%	6.2%
At 28% PIR Tax	0.3%	1.0%	2.0%	2.9%	2.6%	3.4%	4.2%

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 assets held in the fund and the underlying funds, in which the fund invests.

Top 10 holdings

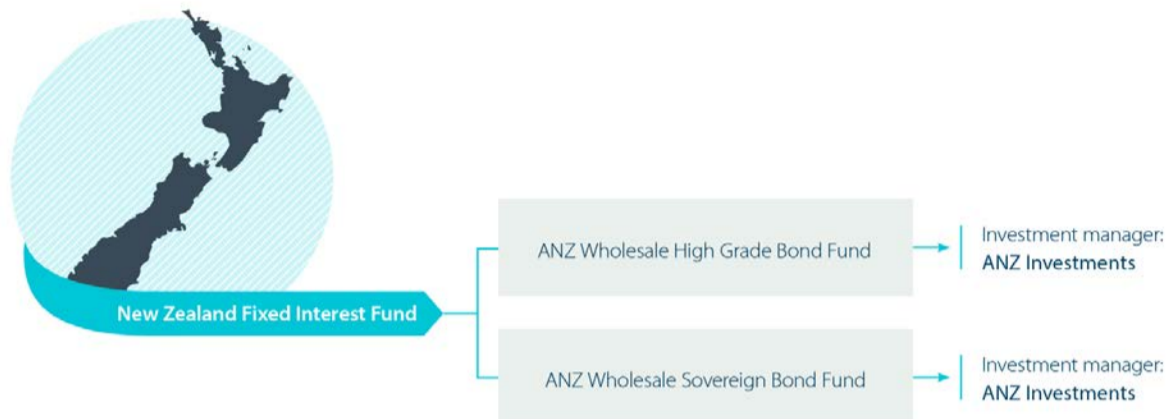
1	NZ Govt Stock 6.00% 2021	10.6%
2	NZ Govt Stock 5.00% 2019	8.5%
3	NZ Govt Stock 3.00% 2020	8.2%
4	NZ Govt Stock 5.50% 2023	7.1%
5	NZ Govt Stock 4.50% 2027	4.1%
6	NZ Govt Stock 3.50% 2033	3.3%
7	NZ Govt Stock 2.75% 2025	3.0%
8	NZ Govt Stock 2.75% 2037	3.0%
9	Kommunalbanken 4.00% 2025	2.9%
10	Westpac Bank 3.78% 2022	2.3%
Total Top 10 Holdings		53.0%
# of NZ Fixed Interest Holdings		81

New Zealand Fixed Interest Fund

Current fund structure

Launched 1 February 1991

Current Fund structure



Additional fund details

Minimum transaction amounts

Lump sum withdrawals	\$500
Regular withdrawals	\$100

Fees

Annual fund charge	0.74%
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Launch date

1 February 1991

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

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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For a copy of the OneAnswer Single-Asset-Class Funds guide and product disclosure statement, please contact ANZ Investments on 0800 736 034.