

ANZ Investment Funds

Balanced Fund

About this fund

The Balanced Fund invests in similar amounts of income assets and growth assets.

Your investment team

Your money is looked after by a highly experienced investment management team with a focus on long-term performance.

Find out more about our investment team at anz.co.nz/investmentteam

Responsible investing

Our approach to responsible investment is a core component in the way we research, select and manage investments.

Our Responsible Investment Framework at anz.co.nz/responsibleinvesting sets out our approach to responsible investment and how we apply it to our investment activities. It also sets out how we monitor and report on our approach.

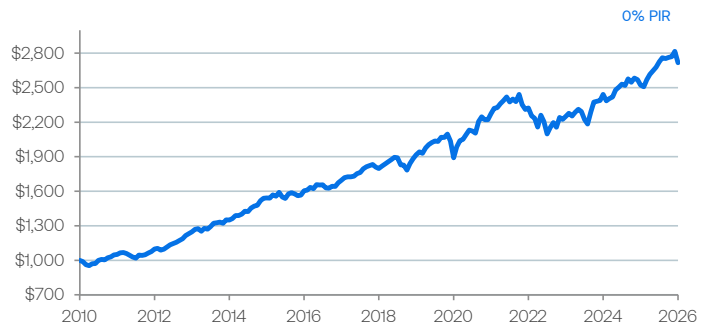
We believe investment decisions must consider environmental, social and governance (ESG) factors, so we can add value for our investors over the long term.

How has this fund performed



PIR (tax rate)	1mth	3mth	6mth	1yr	3yrs	5yrs	10 yrs
0%	-3.52%	-1.68%	-0.30%	7.70%	6.47%	3.43%	5.31%
17.5%	-3.19%	-1.59%	-0.32%	6.95%	5.89%	3.13%	4.85%
28%	-2.99%	-1.53%	-0.33%	6.50%	5.54%	2.96%	4.57%

Fund performance since inception



Performance is shown after fees and before tax, unless stated. Performance for periods longer than one year are annualised.

This fund at a glance

Size of the fund	\$927.1m
Number of holdings	5,131
Fund start date	April 2010
Suggested minimum investment timeframe	5 years
Annual fund charge	0.95%

Certifications



The ANZ Balanced Fund has been certified by the Responsible Investment Association Australasia according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsibleinvestments.com.au for details.

The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

Market and fund review

The fund has a meaningful allocation to share markets, which were volatile over the period. Early in the quarter, optimism supported markets, with several overseas share markets reaching record highs. However, conditions weakened later in the period as global uncertainty increased. Rising geopolitical tensions, including conflict involving the US, Israel and Iran, unsettled investor confidence and contributed to a pull-back in share prices.

International share markets generally declined over the quarter as investors became more cautious. New Zealand shares also fell, largely reflecting developments offshore. Company earnings results were mixed, with some businesses performing well, while others faced softer demand and higher costs.

The fund also holds a significant allocation to bonds. Bond markets had a difficult quarter and did not provide their usual stability. Higher oil prices raised concerns that inflation could increase again, leading investors to reassess the outlook for interest rates. As a result, bond prices fell across many markets.

New Zealand bonds broadly followed overseas trends. While economic growth locally remains weak, inflation has stayed higher than expected. This led the Reserve Bank of New Zealand to signal greater concern about inflation, increasing expectations that interest rates may need to remain higher or rise further. This weighed on local bond returns.

Following a strong start to the year, the weakness across both share and bond markets resulted in negative returns over the quarter. One factor holding back performance was weaker returns from one of our international bond fund managers, due to exposure to UK bonds, which underperformed. This was partly offset by good company selection within our international shares, property and listed infrastructure investments.

Looking ahead, markets are likely to remain unsettled while global uncertainty persists. However, periods like this can also create opportunities. We currently favour US shares over European shares, as the US economy and company earnings appear more resilient, while European markets face greater exposure to energy-related pressures. We also see improving value in high-quality US government bonds following their recent sell-off.

Overall, we remain focused on maintaining a well-diversified portfolio that balances growth and risk. While short-term market movements can be uncomfortable, the fund is designed to support investors through changing conditions and deliver growth over the long term.

Investment mix and currency hedging

Asset class	Investment mix		Hedging	Underlying fund managers
	Actual	Target		
Cash and cash equivalents	8.50%	14.00%	n/a	ANZ Investments
New Zealand fixed interest	12.20%	15.50%	n/a	ANZ Investments
International fixed interest	28.87%	22.50%	100%	ANZ Investments, Northern Trust, PIMCO Australia
Income assets	49.57%	52.00%		
Australasian listed property	1.89%	0.00%	101%	ANZ Investments
International listed property	1.33%	0.00%	96%	Resolution Capital
Australasian equities	10.07%	13.50%	68%	ANZ Investments, Pandal
International equities	31.73%	31.00%	52%	Northern Trust, BlackRock Investment Management, LSV Asset Management, PIMCO Australia
Emerging markets	3.41%	3.50%	n/a	RBC BlueBay, Lazard Asset Management
Other (listed infrastructure)	2.00%	0.00%	96%	Maple-Brown Abbott
Other (incl. alternatives)	0.00%	0.00%	n/a	n/a
Growth assets	50.43%	48.00%	n/a	

The actual and target investment mix of this fund is based on the cash and cash equivalents held by the fund, and the asset class of the underlying funds in which the fund invests.

Fund characteristics

Top 10 equity holdings

Asset name	% of fund
1 NVIDIA	1.3
2 Apple	1.1
3 Fisher & Paykel Healthcare	1.1
4 Microsoft	0.7
5 Infratil	0.6
6 Auckland Int Airport	0.6
7 Contact Energy	0.6
8 Amazon	0.6
9 Goodman Group	0.5
10 Alphabet Class C	0.4
Total top 10 equity holdings	7.5

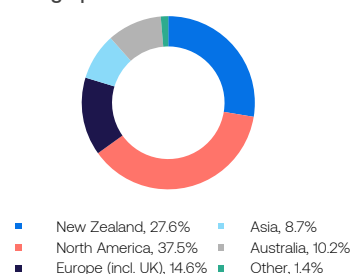
*excludes international equity holdings managed by PIMCO

Top 10 fixed interest holdings

Asset name	% of fund
1 UMBS 30yr TBA 1M Cash 5.0	1.2
2 NZ Govt 4.5 May 2035	0.7
3 Westpac NZ 3.255 Jul 2026	0.6
4 NZ Govt 4.25 May 2036	0.6
5 NZ Govt 3.5 Apr 2033	0.6
6 NZ Govt 4.25 May 2034	0.6
7 NZ Govt 2.0 May 2032	0.5
8 Cooperatieve Rabobank 3.325 Apr 2027	0.5
9 National Australia Group NZ Nov 27	0.4
10 Housing NZ 3.42 Oct 2028	0.4
Total top 10 fixed interest holdings	6.1

*excludes international fixed interest holdings managed by PIMCO

Geographic allocation



All market returns quoted in commentary are in local currency terms. 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. This document is for information purposes only and is not intended to be financial advice. It is recommended that you seek advice from a financial adviser before you acquire a financial product.

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