

# ANZ INVESTMENT FUNDS

## BALANCED FUND

### ABOUT THIS FUND

The Balanced Fund invests in similar amounts of income assets (cash and cash equivalents and fixed interest) and growth assets (equities, listed property and listed infrastructure). The fund may also invest in alternative 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](https://anz.co.nz/investmentteam)

### RESPONSIBLE INVESTING

We're strong advocates of responsible investing (also known as sustainable investing). Responsible investing means when we're considering whether to invest in a company, we don't just look at their financial performance. We also look at their environmental, social and governance (ESG) performance, because we believe these factors have a big impact on long-term returns. Find out more about our responsible investing approach at [anz.co.nz/responsible-investing](https://anz.co.nz/responsible-investing)

### THIS FUND AT A GLANCE

Size of the fund	\$801.8m
Number of holdings	4,733
Fund start date	April 2010
Suggested minimum investment timeframe	5 years
Annual fund charge	0.95%
Minimum contribution	\$1
Minimum balance	\$1
Minimum withdrawal	
- regular	\$100
- one-off	\$500

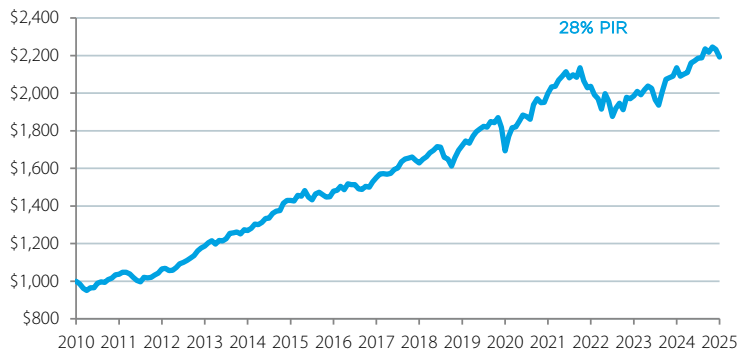
The ANZ Investment Funds guide and product disclosure statement is available at [anz.co.nz/investmentdocs](https://anz.co.nz/investmentdocs).

### HOW THIS FUND HAS PERFORMED



PIR (tax rate)	1mth	3mth	6mth	1yr	3yrs	5yrs	10 yrs
0%	-1.81%	-0.99%	-0.31%	3.35%	2.45%	5.74%	4.94%
17.5%	-1.80%	-1.08%	0.05%	2.94%	2.27%	5.33%	4.52%
28%	-1.79%	-1.14%	0.27%	2.70%	2.16%	5.08%	4.27%

### Fund performance since inception



Performance is shown after fees and tax, at the highest prescribed investor rate (PIR) at the time of the performance, unless stated. Performance for periods longer than one year are annualised.

### AWARDS, RATINGS AND 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.responsiblereturns.com.au](https://www.responsiblereturns.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

Global equity markets were generally weaker over the quarter, with US and New Zealand share markets sharply lower. On a more positive note, many European markets delivered strong returns.

US markets were weighed down by uncertainty surrounding the Trump administration’s trade policies, which include new tariffs on China, on-again, off-again tariffs on Mexico and Canada, and the threat of retaliatory tariffs on many of its trading partners. The technology sector was hit the hardest as it also dealt with concerns about new AI developments. For the quarter, the S&P 500 Index fell 4.3%, while the Nasdaq 100 Index dropped 10.3%.

European equity markets showed resilience, however, with the Euro Stoxx 50 Index up a solid 7.5% and the UK’s FTSE 100 Index gaining 6.1%. Both regions benefitted from a continuation of interest rate cuts. In Asia, Japan’s Nikkei 225 Index was down 9.9% amid worries about US tariffs, while China’s Shanghai Composite Index fell only 0.2%.

In New Zealand, the NZX 50 Index saw a decline of 6.4% over the quarter. The market was dragged down by large caps, while mid and small cap stocks outperformed. In Australia, the ASX 200 Index fell 2.8%, impacted by global market volatility and concerns over domestic economic growth. Its falls came despite the Reserve Bank of Australia (RBA) finally beginning its rate-cutting cycle.

The fund also has exposure to bonds. In international markets, US bonds were some of the better performing, largely driven by heightened volatility on the back of the Trump administration’s trade policies, while several European bond markets fell after concerns about increased defence spending in Germany that would be funded by bond issuance. Meanwhile, New Zealand bonds finished the quarter slightly higher. The 50 basis point cut to the Official Cash Rate (OCR) was fully priced into the market, and other economic data also came in largely as expected.

The challenging start to the year for US equities was the main detractor on fund performance, while at a sector level, our infrastructure holdings offset some of the weakness.. Also helping performance was the fund’s allocation to US bonds.

We are neutral across global equities, global bonds and New Zealand bonds. Competing narratives continue to hinder high-conviction views. On one hand, US equities appear to be supported by the pro-business policies from the White House. On the other hand, economic data appears to be weakening and ongoing concerns around the impact of tariffs are posing downside risks.

INVESTMENT MIX AND CURRENCY HEDGING

Asset class	Investment mix			Hedging	Underlying fund managers
	Actual	Target	Range		
Cash and cash equivalents	7.34%	8.00%	0.00% - 28.00%	n/a	ANZ Investments
New Zealand fixed interest	13.41%	10.80%	0.00% - 26.00%	n/a	ANZ Investments
International fixed interest	29.35%	31.20%	16.00% - 46.00%	100%	ANZ Investments, Northern Trust, PIMCO Australia
Income assets	50.10%	50.00%	35.00% - 65.00%		
Australasian listed property	2.17%	2.00%	0.00% - 14.00%	99%	ANZ Investments
International listed property	1.94%	1.85%		99%	Resolution Capital
Australasian equities	9.76%	9.90%	0.00% - 25.00%	66%	ANZ Investments, Pental
International equities	34.04%	34.40%	19.00% - 50.00%	55%	Franklin Equity Group, BlackRock Investment Management, LSV Asset Management, Vontobel, PIMCO Australia
Other (listed infrastructure)	1.99%	1.85%	0.00% - 8.00%	99%	Maple-Brown Abbott
Other (incl. alternatives)	0.00%	0.00%	0.00% - 12.00%	n/a	n/a
Growth assets	49.90%	50.00%	35.00% - 65.00%		

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 growth holdings\*

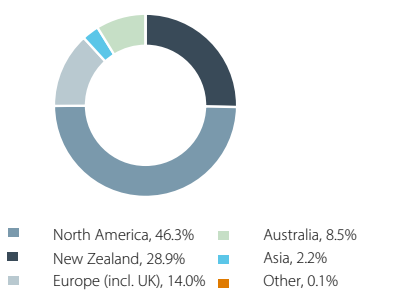
Asset name	% of fund
1 MSCI Emrg Mkts Mini Jun 25	3.5
2 Fisher & Paykel Healthcare	1.0
3 Apple Inc.	0.7
4 Auckland Int Airport Ltd.	0.6
5 Infratil Ltd.	0.6
6 Contact Energy Ltd.	0.5
7 eMini S&P 500 (CME) Jun 25	0.5
8 NVIDIA Corporation	0.5
9 Amazon.com, Inc.	0.5
10 Microsoft Corporation	0.5
Total top 10 growth holdings	8.9

\* excludes international equities holdings managed by PIMCO

Top 10 income holdings\*

Asset name	% of fund
1 Fnma Tba 30yr 5% May Delivery	0.7
2 NZ Govt 3.5% 14/04/2033	0.6
3 3M SOFR (CME) Jun 26	0.6
4 3M SOFR (CME) Mar 26	0.6
5 3M SOFR (CME) Dec 25	0.6
6 3M SOFR (CME) Sep 25	0.6
7 3M SOFR (CME) Jun 25	0.6
8 3M SOFR (CME) Mar 25	0.6
9 NZ Govt 0.25% 15/05/2028	0.6
10 NZ Govt 4.5% 15/05/2030	0.6
Total top 10 income holdings	6.1

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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