

ANZ INVESTMENT FUNDS

HIGH GROWTH FUND

ABOUT THIS FUND

The High Growth Fund invests in growth assets (equities, listed property and listed infrastructure), with a very small exposure to income assets (cash and cash equivalents and fixed interest). 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

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.

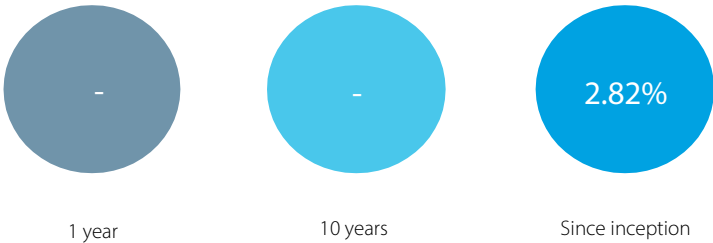
Find out more about our responsible investing approach at anz.co.nz/responsible-investing

THIS FUND AT A GLANCE

Size of the fund	\$10.04m
Number of holdings	4,742
Fund start date	August 2023
Suggested minimum investment timeframe	9 years
Annual fund charge	1.07%
Minimum contribution	\$1
Minimum balance	\$1
Minimum withdrawal	
- regular	\$100
- one-off	\$500

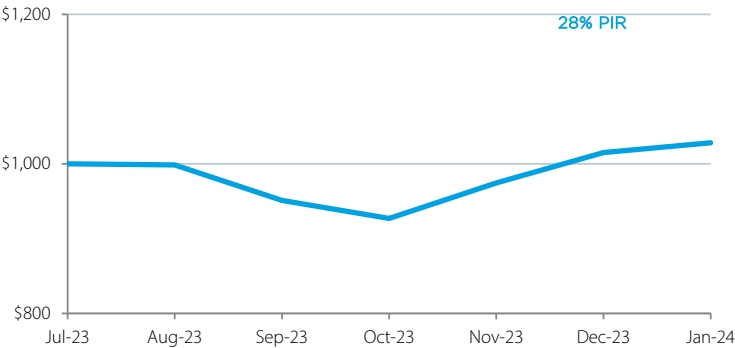
The ANZ Investment Funds guide and product disclosure statement is available at anz.co.nz/investmentdocs.

HOW THIS FUND HAS PERFORMED



PIR (tax rate)	1mth	3mth	6mth	1yr	3yrs	5yrs	10 yrs
0%	1.05%	12.06%	-	-	-	-	-
17.5%	1.19%	11.34%	-	-	-	-	-
28%	1.27%	10.91%	-	-	-	-	-

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.

MARKET AND FUND REVIEW

Global equity markets had a mixed start to the year, with indices in the US continuing their good run, while some Asian and European markets ended the month lower.

In the US, the S&P 500 Index and the NASDAQ 100 Index both rose to all-time highs, finishing the month up 1.6% and 1.9% respectively. Communications services was the best-performing sector, followed by technology and financials. Financials were in favour after some US banks reported better-than-expected fourth quarter earnings. Meanwhile, in Europe, the Euro Stoxx ended the month in positive territory, its third straight month of gains, while in the UK, the FTSE 100 fell after the pace of inflation unexpectedly rose in December, meaning early interest rate cuts are looking less likely.

Down under, New Zealand and Australian share markets also finished the month with gains, with the NZX 50 up 0.9% and the ASX 200 up 1.2%. Much of the recent strength in Australia's share market can be attributed to the strong performance of the energy sector, while equities got a further boost after inflation slowed sharply to 4.1% in the final quarter of 2023, down from 5.4%. The one outlier was China, with the Shanghai Composite down 6.3% after a Hong Kong judge ordered the liquidation of embattled property giant Evergrande, putting more pressure on the country's property market.

Bonds were mostly lower across the board as faster-than-expected inflation in the US and the UK meant early interest rate cuts appear to be less likely, while strong economic data, which underscored the resilience of the US economy also weighed on bond prices. New Zealand bond prices were also lower in January, despite economic data showing the pace of inflation had slowed.

The fund holds over 90% of its assets in growth investments, such as shares, property and infrastructure. The fund's tactical positioning held back relative performance over the month given its more defensive positioning; an overweight to weaker performing international and New Zealand bonds, and an underweight to stronger performing international equities. Within our international equities exposure, a weak performance of our growth manager also held back relative performance, although this was partly offset by good company selection within the fund's New Zealand equities and international listed property holdings.

We maintain our defensive positioning, holding an underweight to international equities and an overweight to domestic and international fixed interest. Our base case is that growth continues to slow but remains positive over the short term in the US, with weaker growth in Europe and New Zealand. We expect core inflation to make slow progress towards target, with central banks holding rates in restrictive territory. The extended period of restrictive interest rates will eventually weigh on growth in 2024, consistent with a mild recession.

INVESTMENT MIX AND CURRENCY HEDGING

Asset class	Investment mix			Hedging	Underlying fund managers
	Actual	Target	Range		
Cash and cash equivalents	2.02%	5.00%	0.00% - 25.00%	n/a	ANZ Investments
New Zealand fixed interest	0.72%	0.00%	0.00% - 20.00%	n/a	ANZ Investments
International fixed interest	5.08%	0.00%	0.00% - 20.00%	99%	ANZ Investments, Northern Trust, PIMCO Australia
Income assets	7.82%	5.00%	0.00% - 40.00%		
Australasian listed property	5.06%	5.00%	0.00% - 20.00%	98%	ANZ Investments
International listed property	5.46%	5.50%		101%	Resolution Capital
Australasian equities	17.32%	18.00%	0.00% - 38.00%	37%	ANZ Investments, Tyndall AM
International equities	61.05%	63.00%	43.00% - 83.00%	63%	Franklin Equity Group, MFS Institutional Advisors, LSV Asset Management, Vontobel
Other (listed infrastructure)	3.29%	3.50%	0.00% - 13.50%	100%	Maple-Brown Abbott
Other (incl. alternatives)	0.00%	0.00%	0.00% - 15.00%	n/a	n/a
Growth assets	92.18%	95.00%	60.00% - 100.00%		

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

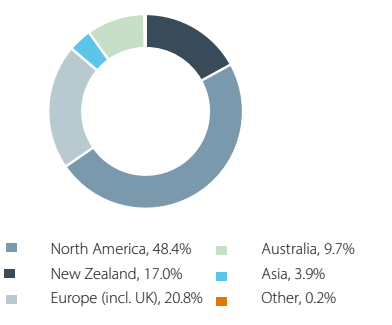
Top 10 growth holdings

Asset name	% of fund
1 Fisher & Paykel Healthcare	1.2
2 Goodman Group	1.1
3 Visa Inc. Class A	1.0
4 Auckland Int Airport Ltd.	0.9
5 Nestle S.A.	0.9
6 Equinix, Inc.	0.9
7 Spark NZ Ltd.	0.9
8 Schneider Electric SE	0.8
9 HDFC Bank Ltd. ADR	0.8
10 Comcast Class A	0.8
Total top 10 growth holdings	9.3

Top 10 income holdings

Asset name	% of fund
1 ASB RCD 17/05/2024	0.1
2 NZ Govt 3.5% 14/04/2033	0.1
3 ASB RCD 10/05/2024	0.1
4 NZ Govt 4.5% 15/04/2027	0.1
5 ASB RCD 24/05/2024	0.1
6 WBC TERM DEPOSIT 19/	0.1
7 WBC TERM DEPOSIT 5/0	0.1
8 Bank Of NZ FRN 23/11/2026	0.1
9 Cooperatieve Rabobank U.a. FRN 08/1:	0.1
10 ASB RCD 26/04/2024	0.1
Total top 10 income holdings	1.0

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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