

31 March 2025

ONEANSWER MULTI-ASSET-CLASS FUNDS

CONSERVATIVE BALANCED FUND

ABOUT THIS FUND

The Conservative Balanced Fund invests mainly in income assets (cash and cash equivalents and fixed interest), with some exposure to 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/oa-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/oa-responsibleinvesting

THIS FUND AT A GLANCE

Size of the fund	\$447.7m
Number of holdings	4,696
Fund start date	April 2010
Suggested minimum investment timeframe	5 years
Annual fund charge	0.80%
Minimum contribution	\$1
Minimum balance	\$1
Minimum withdrawal	
- regular	\$100
- one-off	\$500

The OneAnswer Multi-Asset-Class Funds guide and product disclosure statement is available at anz.co.nz/OA-documents

HOW THIS FUND HAS PERFORMED

2.70%

1 year

3.41%

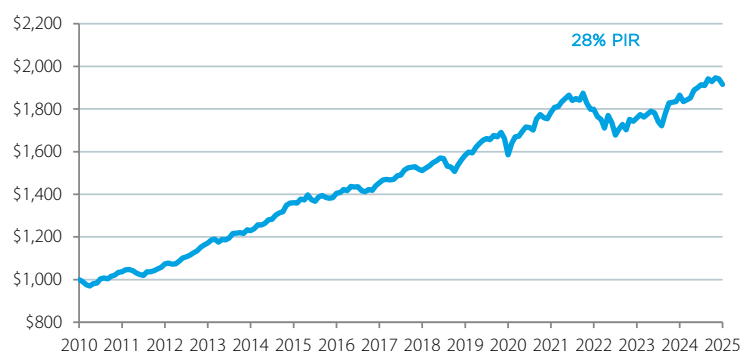
10 years

4.39%

Since inception

PIR (tax rate)	1mth	3mth	6mth	1yr	3yrs	5yrs	10 yrs
0%	-1.35%	-0.49%	-0.29%	3.50%	2.24%	4.25%	4.05%
17.5%	-1.34%	-0.60%	-0.05%	3.00%	2.00%	3.92%	3.65%
28%	-1.34%	-0.67%	0.09%	2.70%	1.86%	3.72%	3.41%

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



CERTIFIED BY RIAA

The **OneAnswer Conservative 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 significant weighting to bonds, making up about half of its holding. Global government bonds had a mixed start to the year, with bonds in the US delivering strong returns, while those in several other markets faced headwinds.

Despite a positive quarter, US bonds faced increased volatility, primarily due to trade policy news from President Donald Trump. His inconsistent tariff announcements led investors to consider the potential for reaccelerated inflation, which could negatively impact bonds, against likelihood of a slower growth outlook, which would typically benefit bonds. Ultimately however, US bonds were higher due to a flight to safe-haven assets triggered by declines in equity markets.

In Europe, bond markets were weaker. German government bonds fell, reflecting concerns about increased defence spending within the region being funded through an increase in bond issuance, while UK bonds faced similar concerns. Japanese government bonds were also lower, given growing expectations the Bank of Japan would increase interest rates due to a pick-up in local inflationary pressures.

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 – namely inflation and unemployment – also came in largely as expected.

The fund has a modest exposure to equity markets. US equity markets came under pressure with technology shares particularly weak amid ongoing concerns about new AI developments and their impact on the sector, while other US markets fell on the back of tariff-related concerns. 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%.

Contributing to performance was the funds allocation to global bonds – particularly those in the US, which delivered good returns over the quarter, while in equity markets, exposure to US equities were a small drag on performance as they finished the quarter lower.

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

INVESTMENT MIX AND CURRENCY HEDGING

Asset class	Investment mix			Hedging	Underlying fund managers
	Actual	Target	Range		
Cash and cash equivalents	11.19%	12.00%	0.00% - 32.00%	n/a	ANZ Investments
New Zealand fixed interest	13.37%	13.20%	0.00% - 28.00%	n/a	ANZ Investments
International fixed interest	40.50%	39.80%	25.00% - 55.00%	100%	ANZ Investments, Northern Trust, PIMCO Australia
Income assets	65.06%	65.00%	50.00% - 80.00%		
Australasian listed property	1.59%	1.40%	0.00% - 15.00%	99%	ANZ Investments
International listed property	2.49%	2.50%		99%	Resolution Capital
Australasian equities	6.67%	6.80%	0.00% - 22.00%	65%	ANZ Investments, Pandal
International equities	22.66%	23.00%	8.00% - 38.00%	61%	Franklin Equity Group, BlackRock Investment Management, LSV Asset Management, Vontobel, PIMCO Australia
Other (listed infrastructure)	1.53%	1.30%	0.00% - 7.00%	99%	Maple-Brown Abbott
Other (incl. alternatives)	0.00%	0.00%	0.00% - 10.00%	n/a	n/a
Growth assets	34.94%	35.00%	20.00% - 50.00%		

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*

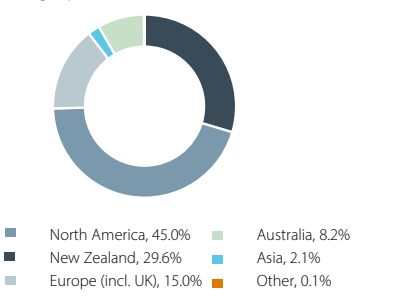
Asset name	% of fund
1 Fisher & Paykel Healthcare	0.7
2 Apple Inc.	0.5
3 Infratil Int Airport Ltd.	0.4
4 Infratil Ltd.	0.4
5 Contact Energy Ltd.	0.4
6 eMini S&P 500 (CME) Jun 25	0.4
7 NVIDIA Corporation	0.4
8 Amazon.com, Inc.	0.4
9 Microsoft Corporation	0.3
10 Topix (OSE) Jun 25	0.3
Total top 10 growth holdings	4.2

* excludes international equities holdings managed by PIMCO

Top 10 income holdings*

Asset name	% of fund
1 Fnma Tba 30yr 5% May Delivery	0.9
2 3M SOFR (CME) Jun 26	0.8
3 3M SOFR (CME) Mar 26	0.8
4 3M SOFR (CME) Dec 25	0.8
5 3M SOFR (CME) Sep 25	0.8
6 3M SOFR (CME) Jun 25	0.8
7 3M SOFR (CME) Mar 25	0.8
8 NZ Govt 3.5% 14/04/2033	0.8
9 NZ Govt 0.25% 15/05/2028	0.7
10 NZ Govt 4.5% 15/05/2030	0.7
Total top 10 income holdings	7.9

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.

The OneAnswer Conservative Balanced Fund is offered and managed by ANZ New Zealand Investments Limited (ANZ Investments). ANZ Investments is not authorised deposit-taking institution (ADI) under Australian law and investments in the funds aren't deposits in or liabilities of ANZ Bank New Zealand Limited, Australia and New Zealand Banking Group Limited or their subsidiaries (together 'ANZ Group'). ANZ Group doesn't stand behind or guarantee ANZ Investments. Investments in the funds are subject to investment risk, including possible delays in repayment, and loss of income and principal invested. A copy of the ANZ Investment Funds guide and product disclosure statement is available at anz.co.nz/investmentdocs.