

31 July 2020

# International Fixed Interest Fund

## Fund description

Invests mainly in international fixed interest assets. Investments may include fixed interest assets issued by governments or international companies, and cash and cash equivalents.

## Market and fund review

The fund gained 1.57% in July. Global bond markets had a relatively quiet month, posting modest gains as central banks offered little change to their accommodative policy stance as the uncertainty around the COVID-19 pandemic continued.

In the US, the Federal Reserve left interest rates unchanged, continuing to say it is ready to do what is needed to support the economy. "We are committed to using our full range of tools to support our economy in this challenging environment," said Fed Chairman, Jerome Powell.

Over the month, the yield on the US 10-year Government bond fell 13 basis points to close at 0.53%. Meanwhile, bond markets in Europe remained supportive after the European Union announced a €750 billion economic stimulus package, aimed at assisting businesses and industries hit the hardest by the pandemic. The stimulus package includes a mixture of grants and low-interest loans. Yields in the UK also traded lower, with the UK 10-year government bond yield ending 7 basis points lower at 0.10%.

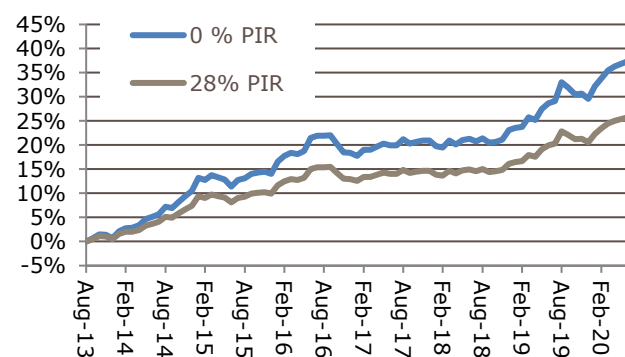
Given the ongoing uncertainty around the economic impact of the pandemic, central banks are showing no signs of easing their aggressive accommodative stance, and given this, interest rates appear to be capped, at least in the short term.

## Fund performance

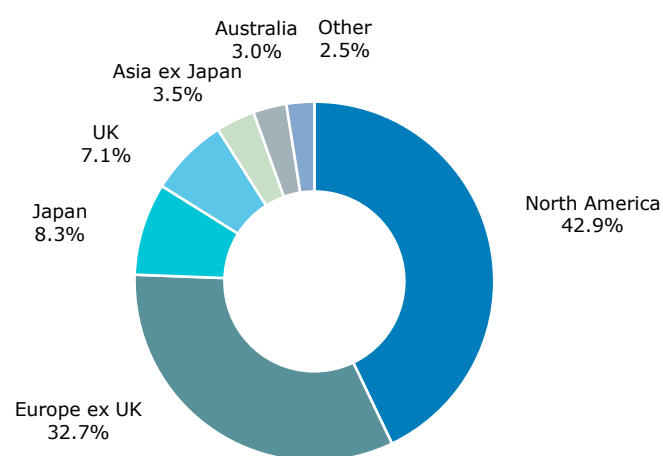
	1mth	3mth	6mth	1yr	3yrs (ann)	5yrs (ann)	Since Launch (ann)
At 0% PIR Tax	1.6%	2.4%	5.5%	8.0%	5.2%	4.4%	5.0%
At 28% PIR Tax	1.1%	1.7%	4.0%	5.7%	3.7%	3.1%	3.6%

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.

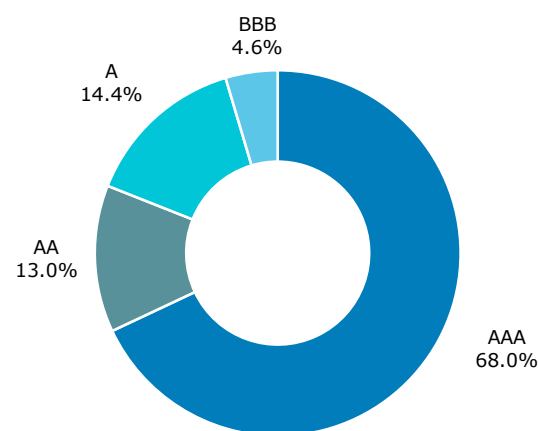
## Fund performance since launch



## Country allocation (one month delay)

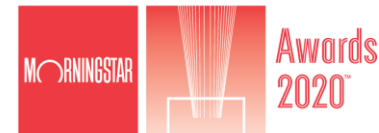


## Credit allocation (one month delay)



## Top 10 Holdings

1	10Y T-Note (CBT) Sep 20	1.8%
2	Euro Bund Germany (EUR) Sep 20	1.0%
3	2Y T-Note (CBT) Sep 20	0.9%
4	USA Govt 0.125% 31/05/2022	0.6%
5	Govt Of Denmark 4.5% 15/11/2039	0.5%
6	10Y T-Note (CBT) Sep 20	0.5%
7	USA Govt 2.375% 15/08/2024	0.4%
8	USA Govt 2.25% 30/04/2024	0.4%
9	USA Govt 0.625% 15/05/2030	0.3%
10	Long Gilt (IFEU) Sep 20	0.3%
Total Top 10 Holdings		6.7%
# International Fixed Interest Holdings		5,173

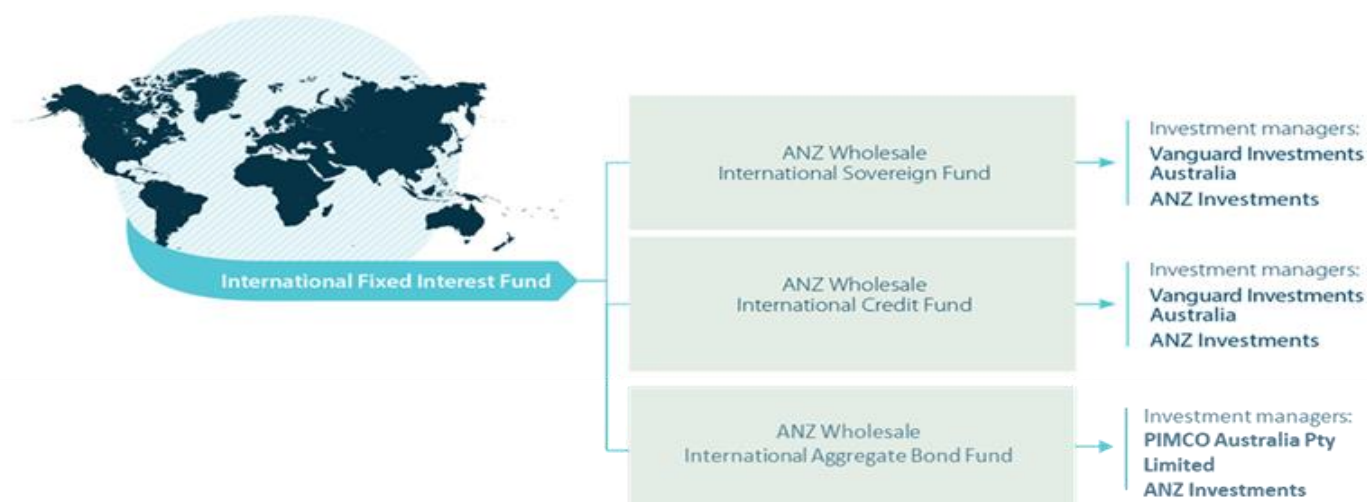


New Zealand Fund Manager of the Year  
For more information, see [anz.co.nz/OA-investmentsawards](http://anz.co.nz/OA-investmentsawards)



## International Fixed Interest Fund

### Current fund structure



### External fund manager

#### Vanguard Investments Australia

Vanguard Investments Australia Limited (Vanguard) manages a portfolio of international fixed interest assets issued by governments. Vanguard also manages a portfolio of international credit securities.

#### PIMCO Australia Pty Limited

PIMCO Australia Pty Limited (PIMCO) manages a portfolio of international fixed interest assets issued by a variety of issuers including governments, government agencies, companies and banks. PIMCO conducts extensive research and analysis to continuously monitor economic and market trends and identify what they believe are the best opportunities between and within each asset type.

\*On 15th May 2020, we added PIMCO Australia Pty Limited as an additional investment manager to our international fixed interest asset class. PIMCO invest in similar assets to our existing investment manager Vanguard Investments Australia, and like Vanguard, are restricted to investment grade securities. PIMCO provide a broad active management approach to international fixed interest and we believe will help to improve the expected return of this asset class.

### Additional fund details

Minimum transaction amounts		Detailed fund information
Lump sum withdrawals	\$500	<a href="#">Guide and product disclosure statement</a>
Regular withdrawals	\$100	
Fees		Forms to alter your investment
Annual fund charge	0.93%	<a href="#">See form section of product disclosure statement</a>
Launch date		Contact information
20 September 2013		0800 736 034
		<a href="mailto:service@anzinvestments.co.nz">service@anzinvestments.co.nz</a>
		<a href="http://anz.co.nz/OA-investmentfundoptions">anz.co.nz/OA-investmentfundoptions</a>

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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All market returns quoted in commentary are in local currency terms.