

31 March 2025

# ONEANSWER SINGLE-ASSET-CLASS FUNDS

## INTERNATIONAL FIXED INTEREST FUND

### ABOUT THIS FUND

The International Fixed Interest Fund invests mainly in international fixed interest assets. Investments may include fixed interest assets issued by governments or international companies, and cash and cash equivalents.

### YOUR INVESTMENT TEAM

ANZ Investments has appointed two fund managers to manage and adjust the mix of assets for this fund.

Northern Trust Investments, Inc  
PIMCO Australia Pty Limited

Each of these managers manages portfolios of international fixed interest assets issued by governments, government agencies, companies, banks and global corporates. Find out more about our investment team at [anz.co.nz/OA-investmentteam](http://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](http://anz.co.nz/oa-responsibleinvesting)

### THIS FUND AT A GLANCE

Size of the fund	\$4.6m
Number of holdings	2,536
Fund start date	September 2013
Suggested minimum investment timeframe	5 years
Annual fund charge	0.63%

The OneAnswer Single-Asset-Class Funds guide and product disclosure statement is available at [anz.co.nz/OA-documents](http://anz.co.nz/OA-documents).

### HOW THIS FUND HAS PERFORMED

2.42%

1 year

0.79%

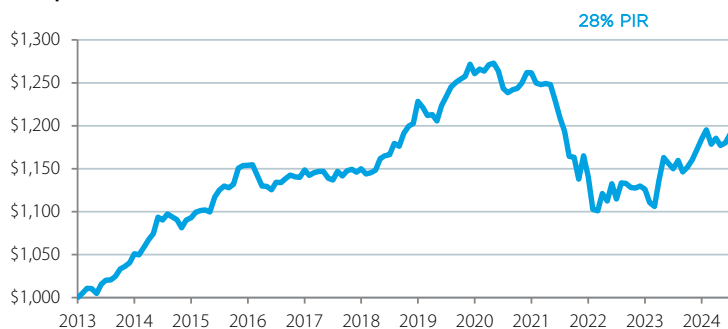
10 years

1.50%

Since inception

PIR (tax rate)	1mth	3mth	6mth	1yr	3yrs	5yrs	10 yrs
0%	-0.25%	1.25%	-0.88%	3.35%	-0.27%	-1.34%	1.08%
17.5%	-0.21%	1.03%	-0.72%	2.77%	-0.20%	-1.09%	0.90%
28%	-0.18%	0.90%	-0.63%	2.42%	-0.16%	-0.94%	0.79%

### Fund performance since launch



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 bond markets experienced higher levels of volatility due to policy uncertainties stemming from President Trump’s trade policies, but still finished the quarter higher, benefitting from the same concerns over economic growth that put downward pressure on equity markets.

Proposed tariffs and fiscal policies increased inflation expectations, causing initial pressure on US bonds. That’s because it raised the likelihood of interest rates being held at a higher level for longer. However, bonds later found support as equity markets fell on the back of AI-related concerns and broader worries about the potential impact tariffs could have on economic growth, which would potentially support a lower interest rate environment. The yield on the US 10-year government bond, which at one point reached 4.8% in January, ended the quarter lower and fell 36 basis points, to 4.21%. When bond yields go down, their prices go up.

Elsewhere, bond markets were more mixed. In Europe, German government bond yields rose sharply, reflecting concerns about increased defence spending within the region being funded through an increase in bond issuance. UK bonds faced similar concerns, with yields on the equivalent government bond up 11 basis points. Japanese government bonds also saw a sustained rise in yields, given growing expectations the Bank of Japan would increase interest rates due to a pick-up in local inflationary pressures.

Central bank policy remained in focus throughout the quarter, as the US Federal Reserve (the Fed) kept its key interest rate unchanged. Its decision was influenced by mixed economic data, including elevated US inflation and concerns about economic growth. Other central banks, including those in Canada, Sweden, the UK and the eurozone continued to cut interest rates.

The fund had a good quarter, thanks to positive returns from both government and corporate bonds.. Corporate bonds continued to perform better than government bonds because the US economy grew steadily, and lower interest rates made it cheaper for companies to borrow money. The fund’s focus on longer-term bonds and more corporate bonds also helped boost its performance. Government bonds also made gains, but the results were mixed due to market ups and downs and worries about inflation from new trade policies. The strategy’s focus on US bonds paid off, but Japan’s interest rate hike affected returns from that region.

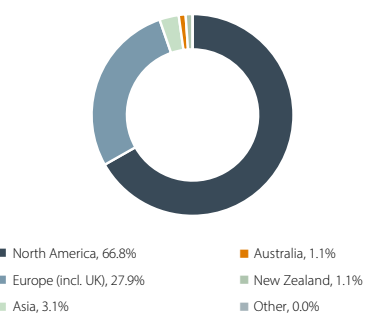
Managed by Northern Trust Asset Management and PIMCO , overall, the fund’s diverse mix of government and corporate bonds provided a balanced and positive outcome for the quarter.

FUND CHARACTERISTICS

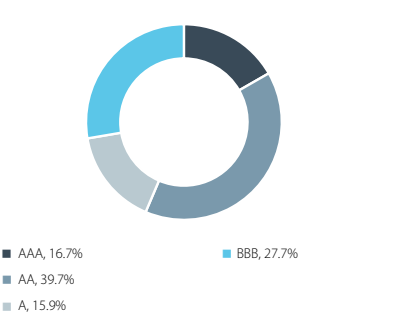
Top 10 holdings

Asset name	% of fund
1 TBA UMBS SINGLE 6.5%	5.6%
2 5Y T-Note (CBT) Jun 25	4.4%
3 Fnma Tba 30yr 5% May Delivery	2.6%
4 TBA UMBS SINGLE FAMILY 6%	2.5%
5 3M SOFR (CME) Jun 26	2.4%
6 3M SOFR (CME) Mar 26	2.3%
7 3M SOFR (CME) Dec 25	2.3%
8 3M SOFR (CME) Sep 25	2.3%
9 3M SOFR (CME) Jun 25	2.3%
10 3M SOFR (CME) Mar 25	2.3%
Total top 10 holdings	29%

Geographic allocation (One month delay)



Credit rating allocation (One month delay)



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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