

31 January 2024

ONEANSWER SINGLE-ASSET-CLASS FUNDS

NEW ZEALAND SHARE FUND

ABOUT THIS FUND

The NZ Share Fund invests mainly in New Zealand equities. Investments may include equities in companies that are listed or intend to list on the New Zealand stock exchange, and cash and cash equivalents.

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/responsible-investing

THIS FUND AT A GLANCE

Size of the fund	\$53.3m
Number of holdings	28
Fund start date	March 1991
Suggested minimum investment timeframe	10 years
Annual fund charge	1.10%

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

HOW THIS FUND HAS PERFORMED

-1.48%

1 year

7.95%

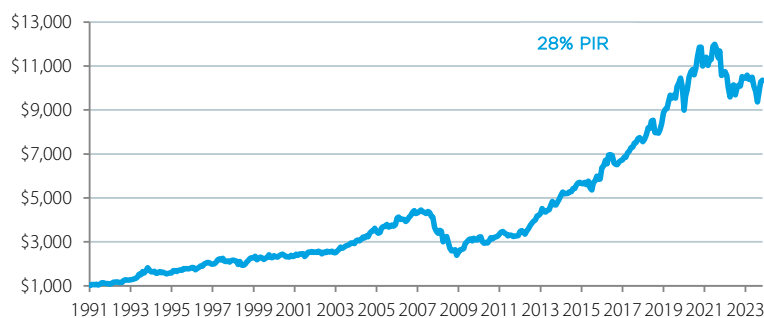
10 years

7.38%

Since inception

PIR (tax rate)	1mth	3mth	6mth	1yr	3yrs	5yrs	10 yrs
0%	0.89%	10.75%	-0.76%	-0.67%	-3.73%	5.80%	8.97%
17.5%	0.90%	10.72%	-1.05%	-1.17%	-4.14%	5.35%	8.33%
28%	0.90%	10.70%	-1.23%	-1.48%	-4.39%	5.08%	7.95%

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

The New Zealand share market delivered gains in January, but underperformed several of its international counterparts. The NZX 50 Index finished the month 0.9% higher. At a sector level, consumer staples outperformed, while the materials sector struggled – often a sign that economic conditions are tough. Of the 50 companies that make up the index, 27 delivered gains or were flat, with the other 23 finishing the month lower.

During January there were some promising signs on the inflation front, with data showing that the Consumer Price Index (CPI) rose at an annual pace of 4.7% in the final quarter of 2023. It was the smallest annual rise in over two years. However, concerns remain around the level of non-tradeable inflation, which is domestically driven and can be more challenging to bring down. It rose at an annual pace of 5.9%, driven largely by rents, rates and construction costs.

Meanwhile, on 30 January, Reserve Bank of New Zealand (RBNZ) chief economist, Paul Conway, gave a speech where he reaffirmed the central bank’s commitment to bring inflation back to target level. At a time when several central banks are starting to suggest interest cuts could be on the horizon, Conway said “we still have a way to go to get inflation back to the target midpoint”.

In terms of performance, the fund’s largest overweight position – to transport and logistics company Mainfreight Limited – continued to be a good performer. Its shares rose by a further 3% in January. The company could benefit from a near doubling of contract rates for containers over recent months, as some of the major shipping lines have been forced to divert container traffic away from the Suez Canal due to attacks on ships by Houthi rebels in the Red Sea.

Another strong performer during January was Summerset Group Holdings Limited. Shares in the retirement village owner and operator jumped by more than 7%, following the release of record fourth-quarter sales data and given positive signs the residential property market is improving.

The fund also benefited from its continued avoidance of Heartland Group Holdings, the parent company of Heartland Bank Limited, which provides various financial services in New Zealand and Australia. Its shares fell by over 6% in January, continuing their recent downtrend.

Detracting from the fund’s relative performance was the fund’s holding in cancer diagnostics company Pacific Edge Limited, which reported a weakening in the number of its Cxbladder tests processed at its laboratories in the three months to the end of December. The result came as little surprise, as its chief executive said the company had entered 2024 looking for greater certainty around Medicare’s (a federal US health insurer) coverage of this specific test.

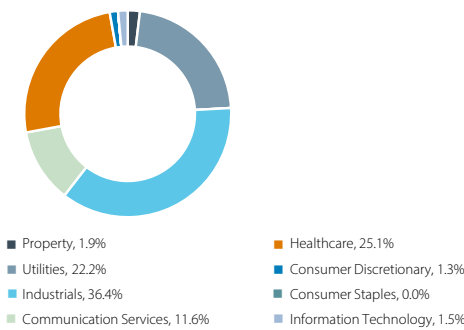
Another detractor was an underweight position in Infratil Limited. Its shares rose by 5%, as the New Zealand-based digital infrastructure company announced further valuation increases on its investment in overseas company CDC Data Centres, which is benefiting from ongoing demand for

FUND CHARACTERISTICS

Top 10 holdings

Asset name	% of fund
1 Fisher & Paykel Healthcare Ltd.	10.7%
2 Mainfreight Ltd.	8.3%
3 Auck. International Airport Ltd.	8.2%
4 Spark NZ Ltd.	7.0%
5 Contact Energy Ltd.	6.9%
6 Meridian Energy Ltd.	6.9%
7 Infratil Ltd.	6.0%
8 EBOS Group Ltd.	4.3%
9 Ryman Healthcare Ltd.	3.7%
10 Fletcher Building Ltd.	3.6%
Total top 10 holdings	66%

Sector 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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