29 February 2024

ONEANSWER SINGLE-ASSET-CLASS FUNDS
NEW ZEALAND FIXED INTEREST FUND

ABOUT THIS FUND

The New Zealand Fixed Interest Fund invests mainly in New Zealand fixed interest assets. Investments may include fixed interest assets issued by New Zealand or international entities denominated in New Zealand dollars, 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

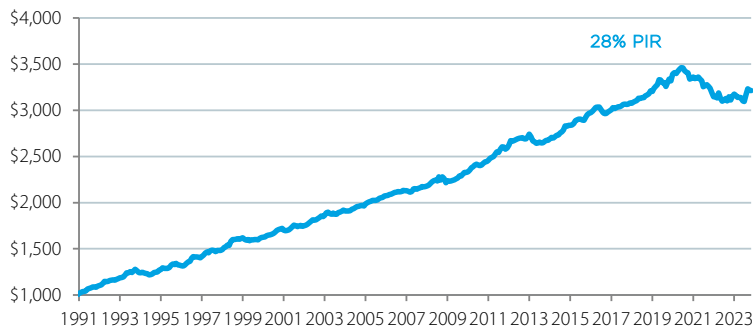
Size of the fund	$7.6m
Number of holdings	94
Fund start date	February 1991
Suggested minimum investment timeframe	5 years
Annual fund charge	0.47%

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

HOW THIS FUND HAS PERFORMED

PIR (tax rate)	1mth	3mth	6mth	1yr	3yrs	5yrs	10 yrs
0%	-0.25%	1.87%	3.38%	4.42%	-1.78%	0.27%	2.55%
17.5%	-0.21%	1.54%	2.79%	3.65%	-1.46%	0.24%	2.11%
28%	-0.18%	1.34%	2.44%	3.18%	-1.26%	0.22%	1.84%

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.

ANZ INVESTMENTS

MARKET AND FUND REVIEW

New Zealand bond prices had a volatile month, beginning on the back foot, mostly following global markets lower. The sell-off continued after the employment report showed the labour market remained historically tight, with the unemployment rate at 4%, slightly up on the quarter prior, but below most forecasts.

However, after the Reserve Bank of New Zealand (RBNZ) left the Official Cash Rate (OCR) unchanged and delivered a relatively dovish statement, bonds clawed back some losses. The central bank said in its statement that "core inflation and most measures of inflation expectations have declined, and the risks to the inflation outlook have become more balanced".

Furthermore, the RBNZ forward track – the rate it expects the OCR to peak – fell to 5.60%, down from 5.69%, reflecting the central bank believes there is a less-likely chance of any further interest rate hikes.

After rising to nearly 5%, its highest level of the year, the yield on the New Zealand 10-year government bond closed at 4.70%, up 14 basis points on the month.

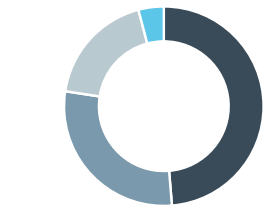
We prefer to be long duration to New Zealand bonds believing that the local economy is slowing down and that the labour market pressures will start to ease, pushing bond yields lower – a scenario where bond prices should rise.

FUND CHARACTERISTICS

Top 10 holdings

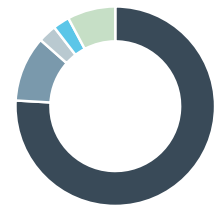
	Asset name	% of fund
1	NZ Govt 3.5% 14/04/2033	6.5%
2	NZ Govt 4.5% 15/04/2027	5.0%
3	NZ Govt 2.0% 15/05/2032	4.4%
4	NZ Govt 3.0% 20/04/2029	4.2%
5	NZ Govt 1.5% 15/05/2031	3.9%
6	NZ Govt 0.25% 15/05/2028	3.9%
7	NZ Govt 2.75% 15/04/2025	3.8%
8	NZ Govt 0.5% 15/05/2026	3.2%
9	NZ Govt 2.75% 15/04/2037	2.8%
10	NZ Local Govt Funding Agency Ltd	2.7%
Total top 10 holdings		40%

Sector allocation



- Government Securities, 48.7%
- Local Authorities & State Owned Enterprises, 28.7%
- Corporate Bonds, 18.5%
- Cash, 4.1%

Credit rating allocation



- AAA, 75.9%
- AA, 10.6%
- A, 3.0%
- BBB, 2.7%
- BB and Below, 7.8%

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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