

Fund Update for the quarter ended 31 December 2018

OneAnswer KiwiSaver Scheme

■ Growth Fund

This fund update was first made publicly available on: 14 February 2019

What is the purpose of this update?

This document tells you how the Growth Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. ANZ New Zealand Investments Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

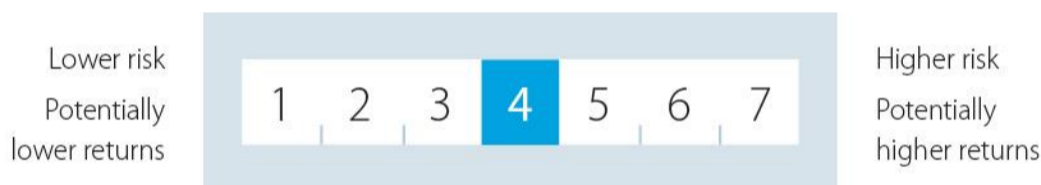
The Growth Fund invests mainly in growth assets (equities and listed property), with a smaller exposure to income assets (cash and cash equivalents and fixed interest). The fund may also invest in alternative assets.

The fund aims to achieve a positive yearly return (after the fund charge and before tax) that over the long-term is 4.8% over inflation (allowing for a negative return 4.9 years in every 20).

Total value of the fund (\$)	354,135,187
Number of investors in the fund	15,461
The date the fund started	1 October 2007

What are the risks of investing?

Risk indicator for the Growth Fund:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at anzinvestments.co.nz/riskprofiletool.

Note that even the lowest category does not mean a risk-free investment, and there may be other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years ended 31 December 2018. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

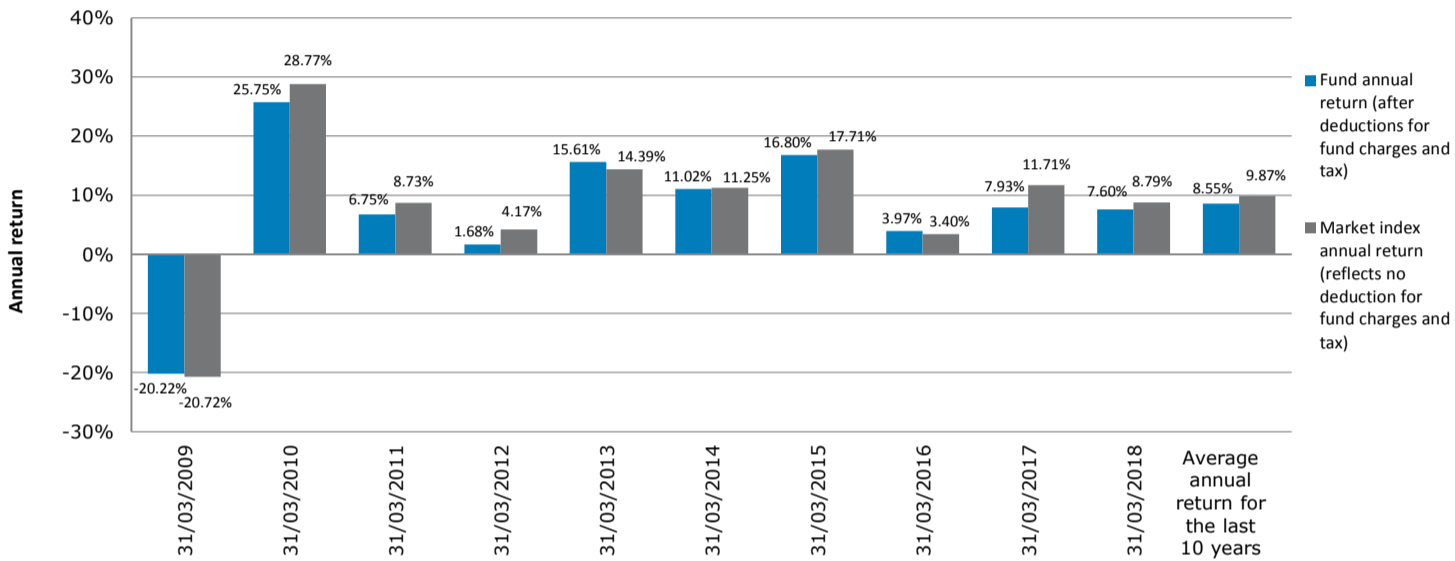
How has the fund performed?

	Average over past five years	Past year
Annual return (after deductions for charges and tax)	6.66%	-4.85%
Annual return (after deductions for charges but before tax)	7.77%	-4.43%
Market index annual return (reflects no deduction for charges and tax)	8.51%	-1.84%

The market index annual return is calculated using the target investment mix and the indices of each asset class.

Additional information about the market index is available in the statement of investment policy and objectives on the offer register at business.govt.nz/disclose.

Annual return graph



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years, up to 31 December 2018.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Growth Fund are charged fund charges. In the year to 31 March 2018 these were:

	% of net asset value
Total fund charges¹	1.04%
<i>Which are made up of:</i>	
Total management and administration charges	1.04%
<i>Including:</i>	
Manager's basic fee	1.00%
Other management and administration charges	0.04%
Total performance based fees	0.00%
	Dollar amount per investor
Other charges	
Membership Fee ²	\$24

Investors are not currently charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for more information about Scheme fees.

Small differences in fees and charges can have a big impact on your investment over the long term.

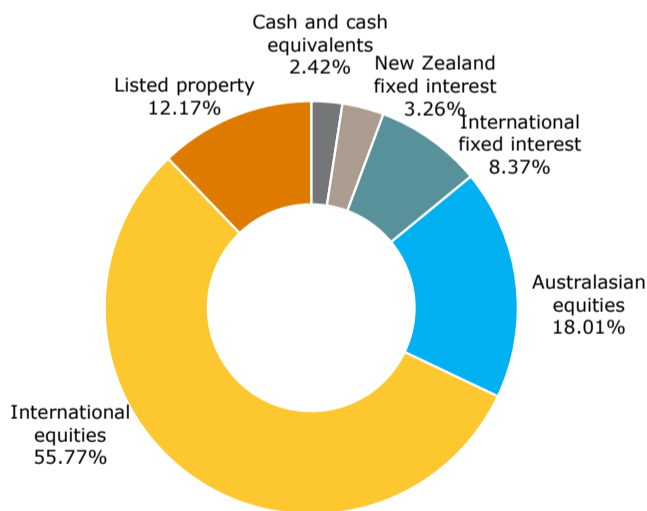
Example of how this applies to an investor

Sarah had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Sarah incurred a loss after fund charges were deducted of \$485 (that is -4.85% of her initial \$10,000). Sarah also paid \$24 in other charges. This gives Sarah a total loss after tax of \$509 for the year.

What does the fund invest in?

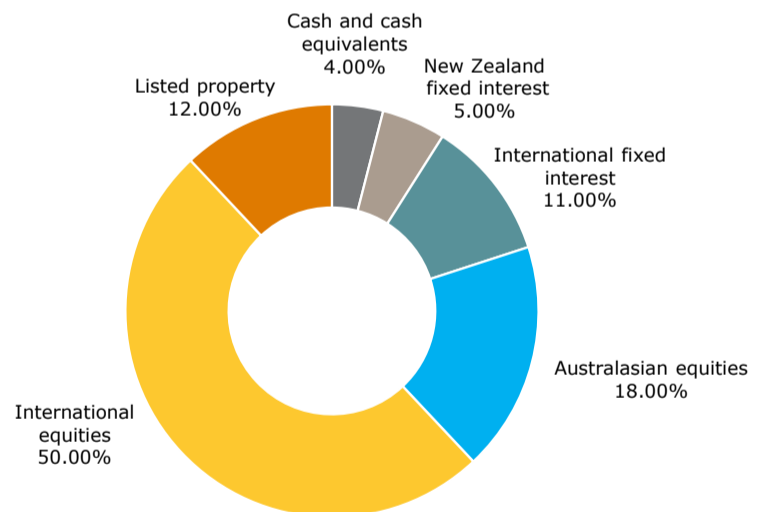
Actual investment mix³

This shows the types of assets that the fund invests in.



Target investment mix³

This shows the mix of assets that the fund generally intends to invest in.



Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit rating (if applicable)
1	Cash Deposit (J.P. Morgan AUD)	1.36%	Cash and cash equivalents	Australia	A1
2	Cash Deposit (J.P. Morgan USD)	1.26%	Cash and cash equivalents	United States	A1
3	Visa Inc	1.16%	International equities	United States	
4	Precinct Property NZ Ltd	1.05%	Listed property	New Zealand	
5	Kiwi Income Property Trust	0.94%	Listed property	New Zealand	
6	A2 Corp Ltd	0.91%	Australasian equities	New Zealand	
7	Medtronic Plc	0.83%	International equities	United States	
8	Fisher and Paykel Healthcare	0.83%	Australasian equities	New Zealand	
9	Spark New Zealand Ltd	0.83%	Australasian equities	New Zealand	
10	HDFC Bank Ltd - ADR	0.80%	International equities	United States	

The top 10 investments make up 9.97% of the net asset value of the fund.

Currency hedging

	Benchmark hedging rate	Current hedging level
Cash and cash equivalents	No foreign exchange exposure	-
New Zealand fixed interest	No foreign exchange exposure	-
International fixed interest	Benchmark 100% hedged	100%
Australasian listed property	Benchmark 100% hedged	98%
International listed property	Benchmark 100% hedged	100%
Australasian equities	Benchmark 50% AUD hedged (range of 0-100%)	21%
International equities	Benchmark 65% hedged (range of 0-100%)	64%

Key personnel

This shows the directors and employees who have the most influence on investment decisions in relation to the fund.

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Paul Huxford	Chief Investment Officer, New Zealand	6 months	Acting Chief Investment Officer, New Zealand	3 months
Stuart Millar	Head of Diversified Portfolio Management	3 years and 5 months	Senior Capital Markets Manager, ANZ New Zealand Investments Limited	3 years and 4 months
Alan Clarke	Senior Mandate Research Manager	3 years and 5 months	Investment Analyst, ANZ Bank New Zealand Limited	8 years and 8 months
Maike van Tol	Asset Allocation Strategist	3 years and 4 months	Strategic Asset Allocation Specialist, NN Investment Partners	4 years and 9 months
Frazer Stewart	Investment Analyst	1 year and 3 months		

Further information

You can also obtain this information, the PDS for the OneAnswer KiwiSaver Scheme, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes

- Our fund charges are inclusive of GST, where applicable.
- We charge you a membership fee at the scheme level for looking after your KiwiSaver account. If you're invested in more than one fund, this fee will be deducted from the fund with the highest balance.
- The target and actual investment mix of this fund are based on:
 - the cash and cash equivalents held by the fund, and
 - the asset class of the underlying fund in which the fund invests.
They are not based on the cash and cash equivalents or any other assets held by the underlying fund.