

Fund Update for the quarter ended 31 December 2016

ANZ Investments Single-Asset-Class Scheme (marketed as the OneAnswer Single-Asset-Class Funds)

Australian Share Fund

This replacement fund update was first made publicly available on 1 March 2021. It replaces the fund update that was first made publicly available on 13 February 2017. This new fund update includes the following changes:

| Fund update section | Change |
|-----------------------------|--|
| How has the fund performed? | <ul style="list-style-type: none"> Change to market index annual return average over past five years from 2.27% to 6.33% and past year from 4.40% to 9.24%. |
| Annual return graph | <ul style="list-style-type: none"> Change to 31/3/2007 market index annual return from 17.52% to 12.77%. Change to 31/3/2008 market index annual return from -4.61% to -8.35%. Change to 31/3/2009 market index annual return from -24.37% to -28.26%. Change to 31/3/2010 market index annual return from 49.63% to 43.62%. Change to 31/3/2011 market index annual return from 7.84% to 3.35%. Change to 31/3/2012 market index annual return from -12.37% to -16.42%. Change to 31/3/2013 market index annual return from 19.79% to 18.09%. Change to 31/3/2014 market index annual return from -1.91% to -2.59%. Change to 31/3/2015 market index annual return from 9.65% to 8.86%. Change to 31/3/2016 market index annual return from -2.57% to -1.68%. Change to market index average annual return for the last 10 years from -0.49% to 1.46%. |

What is the purpose of this update?

This document tells you how the Australian Share 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 Australian Share Fund invests mainly in Australian equities. Investments may include:

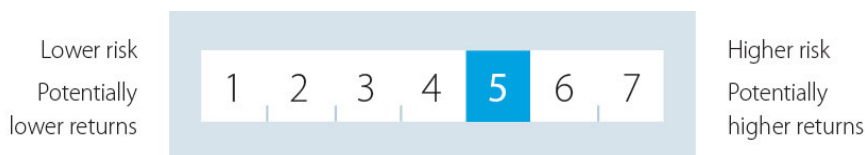
- equities in companies that are listed or in the process of listing on the Australian stock exchange, and
- cash and cash equivalents.

The fund aims to achieve a positive yearly return (after the fund charge and before tax) that over the long-term outperforms the relevant market index.

| | |
|------------------------------|------------------|
| Total value of the fund (\$) | 31,184,424 |
| The date the fund started | 29 February 1996 |

What are the risks of investing?

Risk indicator for the Australian Share 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 www.sorted.org.nz/tools/investor-kickstarter.

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 2016. 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.

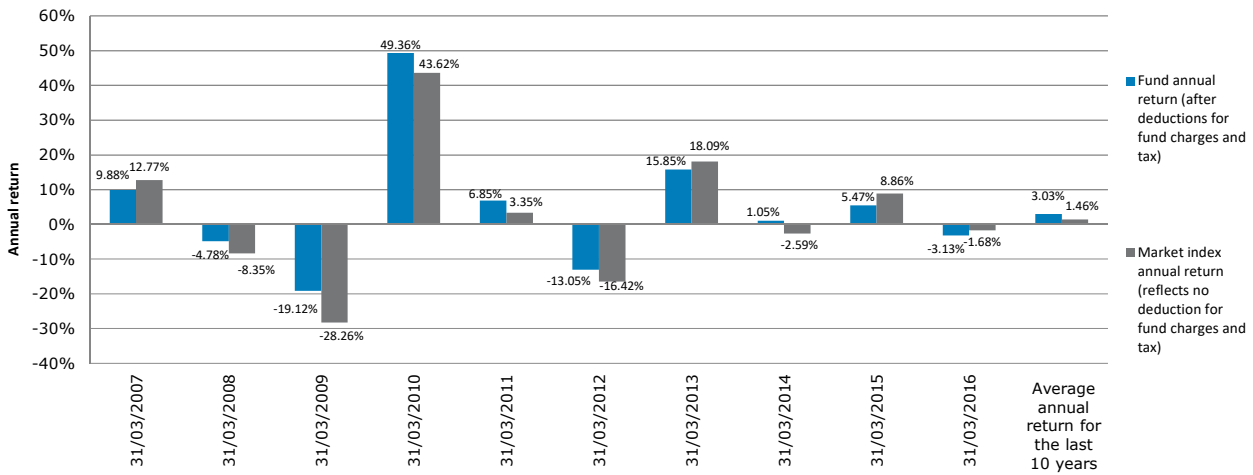
How has the fund performed?

| | Average over past five years | Past year |
|--|------------------------------|-----------|
| Annual return (after deductions for charges and tax) | 4.41% | -0.79% |
| Annual return (after deductions for charges but before tax) | 5.65% | 0.16% |
| Market index annual return (reflects no deduction for charges and tax) | 6.33% | 9.24% |

The market index annual return shows the return of the S&P/ASX Accumulation 200 Index (unhedged).

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 graph¹



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 2016.

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 Australian Share Fund are charged fund charges. In the year to 31 March 2016 these were:

| | % of net asset value |
|--|----------------------|
| Total fund charges | 1.23% |
| <i>Which are made up of:</i> | |
| Total management and administration charges | 1.23% |
| <i>Including:</i> | |
| Manager's basic fee | 1.10% |
| Other management and administration charges | 0.13% |
| Total performance based fees | 0.00% |

| | Dollar amount per investor |
|----------------------|----------------------------|
| Other charges | |
| Other charges | \$0 |

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

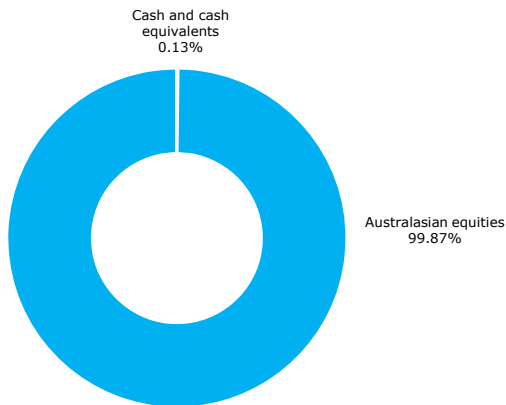
Example of how this applies to an investor

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 \$79 (that is -0.79% of her initial \$10,000). Sarah did not pay any other charges. This gives Sarah a total loss after tax of \$79 for the year.

What does the fund invest in?

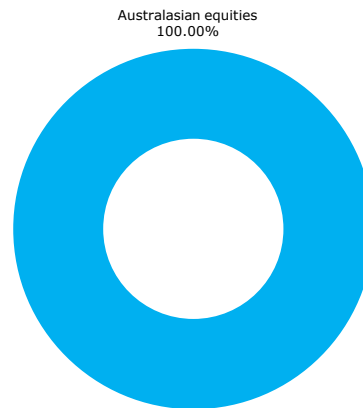
Actual investment mix

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



Target investment mix

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 | Commonwealth Bank of Australia | 10.17% | Australasian equities | Australia | |
| 2 | Westpac Banking Corporation | 9.30% | Australasian equities | Australia | |
| 3 | BHP Billiton Ltd | 7.36% | Australasian equities | Australia | |
| 4 | ANZ Banking Group Ltd | 6.92% | Australasian equities | Australia | |
| 5 | Wesfarmers Ltd | 5.45% | Australasian equities | Australia | |
| 6 | Macquarie Group Ltd | 3.82% | Australasian equities | Australia | |
| 7 | Goodman Group | 3.16% | Australasian equities | Australia | |
| 8 | carsales.com Ltd | 3.15% | Australasian equities | Australia | |
| 9 | Cash (UBS AUD) | 3.11% | Cash and cash equivalents | Australia | A+ |
| 10 | Transurban Group | 2.78% | Australasian equities | Australia | |

The top 10 investments make up 55.22% of the net asset value of the fund.

Currency hedging

| | Benchmark hedging rate | Current hedging level |
|-----------------------|---|-----------------------|
| Australasian equities | Benchmark 0% AUD hedged (range of 0-100%) | 0% |

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 |
|-------------------|---|--------------------------|---|--|
| Graham Ansell | Chief Investment Officer, New Zealand | 4 years and 1 month | Head of Fixed Interest, ANZ New Zealand Investments Limited | 17 years and 0 months |
| Stewart Brentnall | Chief Investment Officer, Australia Wealth | 4 years and 5 months | Chief Investment Officer, OnePath Australia | 3 years and 0 months |
| Mark Rider | Head of Investment Strategy & Asset Allocation, OnePath Australia | 3 years and 9 months | Head of Investment Strategy, Australia, UBS Global Asset Management | 9 years and 6 months |
| Stuart Millar | Head of Diversified Portfolio Management | 1 year and 5 months | Senior Capital Markets Manager, ANZ New Zealand Investments Limited | 3 years and 4 months |
| Alan Clarke | Senior Mandate Research Manager | 1 year and 5 months | Investment Analyst, ANZ Bank New Zealand Limited | 8 years and 8 months |

Further information

You can also obtain this information, the PDS for the OneAnswer Single-Asset-Class Funds, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes

1. Portfolio investment entities and prescribed investor rates came into effect on 1 October 2007. The returns for the years to 31 March 2007 and 31 March 2008 are calculated using the tax paid by the fund for those years.