

31 July 2017

Growth Fund



Fund description

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.

Market Review

The fund posted a positive return ahead of the index, with contributions from New Zealand fixed interest and shares, while international shares disappointed. The fund's international share holdings lagged the benchmark index providing a small negative return for the month. However, the asset class remains more than 3% ahead of the index over the last six months. Australasian shares provided the largest nominal return of any sector over July. However, the solid New Zealand market was slightly held back by a flat Australian market, in Australian dollar terms. New Zealand shares were supported by a continued recovery from the retirement sector. An underweight position in Auckland International Airport also contributed as the company increased their capital expenditure forecast.

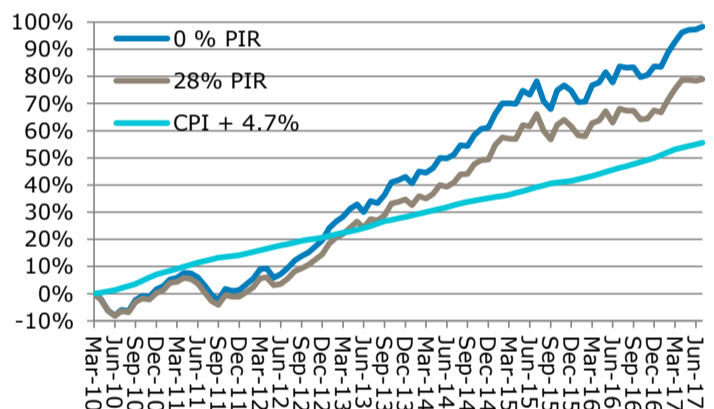
It was a quiet month for fixed interest, with the major global markets moving little; 10-year bonds in both the US and Japan barely changed. Yields were slightly higher in Europe and Australia, while Canada hiked rates for the first time since 2010 resulting in weaker returns from that market. As a sector, listed property continues to have a poor year. However, this month, the manager beat the index providing a small negative return. Yields in New Zealand were also unchanged, providing modest gains for the fund. Cash offered no surprises and looks increasingly unlikely to for some months as softer inflation data, a higher NZ dollar and weaker house prices in Auckland leave little need for the Reserve Bank to tighten monetary policy.

Fund performance

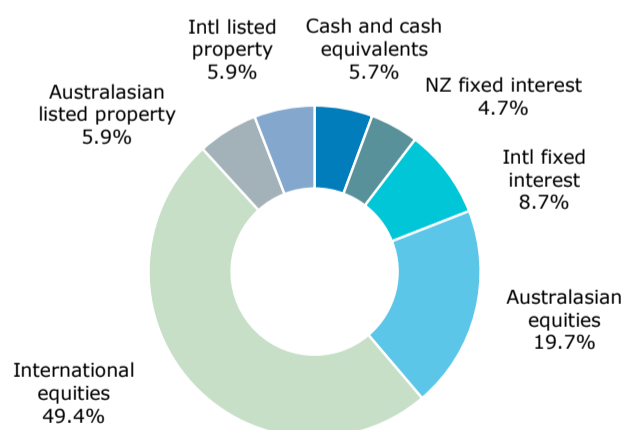
	1mth	3mth	6mth	1yr	3yrs	5yrs	Since Inception
0% PIR	0.5%	1.1%	8.0%	7.9%	9.4%	12.6%	9.8%
28% PIR	0.4%	0.1%	7.3%	6.5%	8.3%	11.1%	8.3%

Performance is after fund fees and stated PIR. The 28% PIR return series shows returns at the highest PIR at the time of the performance. Performance for periods longer than one year are annualised.

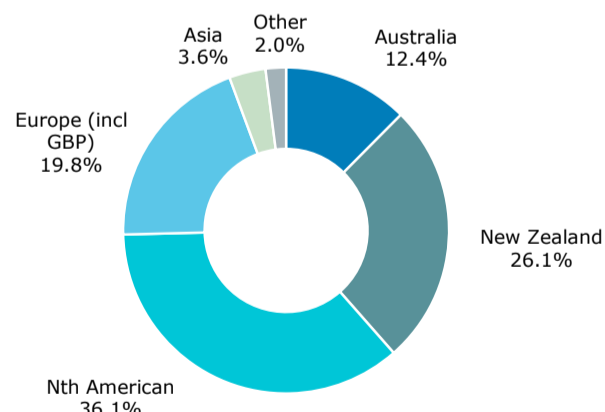
Fund performance since inception



Actual investment mix



Country allocation



Top 10 Holdings

1	S&P 500 Future Sep 17	1.9%
2	Precinct Property NZ Ltd	1.1%
3	Westpac Banking Corporation	1.0%
4	Visa Inc	1.0%
5	Commonwealth Bank Of Australia	1.0%
6	Spark New Zealand Ltd	1.0%
7	Kiwi Income Property Trust	1.0%
8	Fisher And Paykel Healthcare	0.9%
9	Reckitt Benckiser	0.9%
10	Euro Stoxx 50 Future Sep 17	0.9%

Total Top 10 Holdings	10.6%
# of other holdings	1596

Asset class performance (before fund fees and tax)

	1mth	3mth	6mth	1yr	3yrs	5yrs
Cash and cash equivalents	0.2%	0.7%	1.4%	2.7%	3.3%	3.3%
NZ Fixed Interest	0.5%	1.2%	3.2%	0.5%	6.0%	4.5%
International Fixed Interest	0.0%	0.4%	2.3%	-0.7%	5.3%	5.0%
Australasian listed property	-0.1%	2.1%	2.9%	-1.3%	12.0%	14.1%
International listed property	0.8%	2.6%	4.0%	-3.9%	8.3%	11.1%
Australasian equities	1.4%	-0.2%	8.2%	3.1%	7.6%	12.6%
International equities (unhedged)	-0.2%	-2.4%	12.3%	15.1%	14.0%	15.9%

Performance by asset class shows the performance of the underlying wholesale strategies in which the fund invests. Asset allocation decisions, hedging, fees and other factors will influence the return received by the fund. Performance for periods longer than one year are annualised.

Growth Fund

Target investment mix and ranges

Asset Class	Target Mix	Range	Aggregate Ranges
Cash and cash equivalents	4.0%	0-24%	0-40
NZ fixed interest	5.0%	0-25%	
International fixed interest	11.0%	0-31%	
Australasian listed property	6.0%	0-22%	60-100
International listed property	6.0%		
Australasian equities	20.0%	0-40%	
International equities	48.0%	28-68%	
Other (inc alternatives)	0.0%	0-15%	
Total	100.0%		

Hedging levels

	Benchmark hedging rate	Current hedging
Cash and cash equivalents	No foreign currency exposure	n/a
NZ fixed interest	No foreign currency exposure	n/a
International fixed interest	Benchmark 100% hedged	100%
Australasian listed property	Benchmark 100% hedged	97%
International listed property	Benchmark 100% hedged	98%
Australasian equities	Benchmark 50% AUD hedged (range of 0-100%)	49%
International equities	Benchmark 65% hedged (range of 0-100%)	54%

Underlying investment managers

Cash and cash equivalents	ANZ Investments
NZ fixed interest	ANZ Investments
International fixed interest	Vanguard Investments Australia Limited
Australasian listed property	ANZ Investments
International listed property	CBRE Clarion Securities
Australasian equities	ANZ Investments, Arnhem Investment Management
International equities	The Franklin Equity Group, MFS Institutional Advisors, LSV Asset Management, Vontobel
Currency	ANZ Investments

Launch date 15 April 2010	Minimum transaction amounts Lump sum payments \$500 Regular payments \$50	Detailed fund information Guide and product disclosure statement (PDS)
Contact information 0800 736 034 service@anzinvestments.co.nz www.anz.co.nz	Fees Lump sum withdrawals \$500 Regular withdrawals \$100 Annual fund charge 1.44%	Forms to alter your investment See form section of the guide and PDS

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.

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The Morningstar Analyst Rating for the ANZ Investment Funds assigned on 30 September 2016 is Silver. See anz.co.nz/anzinvestmentsawards for our full awards history, ratings and disclaimers.