

30 April 2018

Growth Fund



Fund description

The Growth Fund invests mainly in growth assets (equities and listed property), with a smaller exposure to income assets (cash

Market Review

The fund delivered gains of 2.0% for its investors over the month. Growth assets, such as shares and listed property, benefited from an easing in geopolitical tensions and some strong company results. However, defensive assets, such as bonds, struggled as some stronger US inflation data suggested interest rates there may need to rise faster.

The fund has been underweight to global bonds as we believe that rising interest rates will hold back this asset class. This was of particular benefit as global bonds fell in value over the month.

The fund holds a modest overweight position to international equities. This was beneficial, as international equities were the second-best performing asset class this month. The best performing asset class was Australian equities, where the fund also benefited from some strong company selection by the manager. This was also the case for its New Zealand equity holdings, where a key holding was subject to a takeover bid.

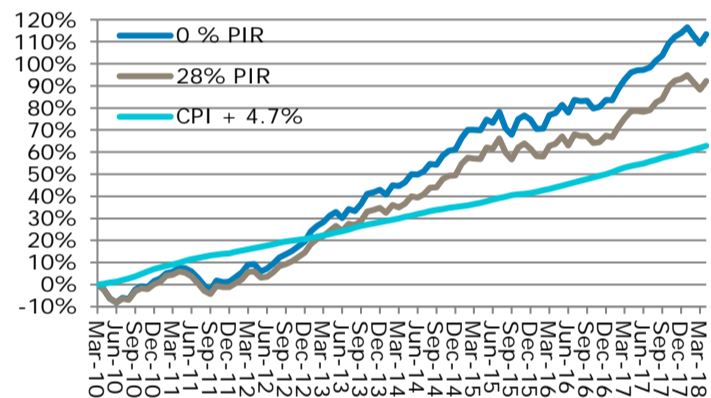
Our outlook is unchanged. International shares should be supported by a continuation of global growth, and so we maintain a modest overweight position. Elsewhere, we are underweight international bonds, as we expect them to struggle as global interest rates continue to move higher this year.

Fund performance

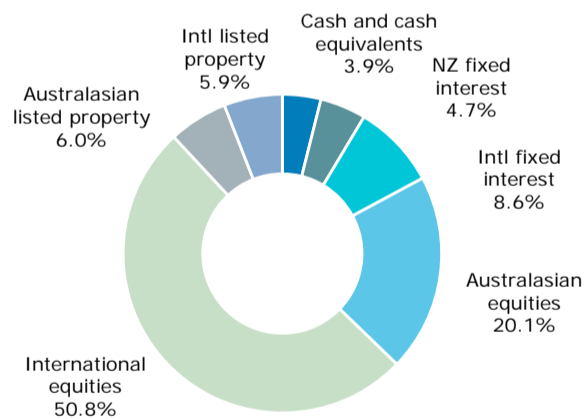
	1mth	3mth	6mth	1yr	3yrs	5yrs	Since Inception
0% PIR	2.0%	-1.5%	1.9%	8.8%	7.9%	10.2%	9.9%
28% PIR	2.1%	-1.4%	1.2%	7.5%	7.0%	9.1%	8.5%

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

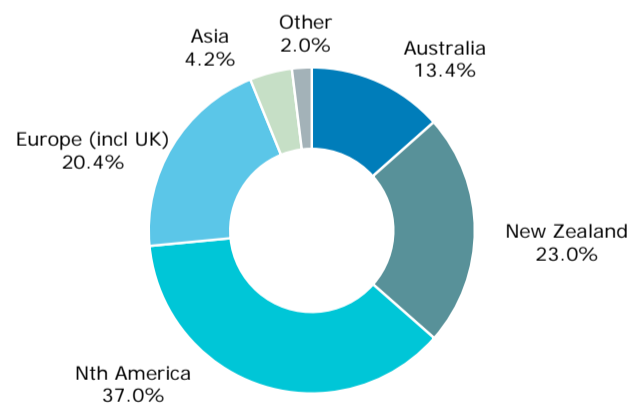


Actual investment mix



The actual investment mix of this fund is based on the cash and cash equivalents held by the fund, and the asset class of the underlying funds in which the fund invests.

Country allocation



Top 10 Holdings

1	S&P 500 Future Jun 2018	2.4%
2	Visa Inc	1.1%
3	Precinct Property NZ Ltd	1.0%
4	A2 Corp Limited	0.9%
5	Kiwi Income Property Trust	0.9%
6	Westpac Banking Corporation	0.9%
7	Reckitt Benckiser	0.9%
8	Fisher And Paykel Healthcare	0.8%
9	Spark New Zealand Ltd	0.8%
10	SPI200 Index Future Jun 2018	0.7%

Total Top 10 Holdings	10.4%
# of other holdings	1562

Asset class performance (before fund fees and tax)

	1mth	3mth	6mth	1yr	3yrs	5yrs
Cash and cash equivalents	0.2%	0.6%	1.3%	2.6%	2.9%	3.2%
NZ Fixed Interest	-0.1%	0.8%	1.6%	4.0%	4.5%	4.1%
International Fixed Interest	-0.6%	0.6%	0.0%	1.3%	2.9%	4.2%
Australasian listed property	2.0%	-0.8%	4.4%	6.4%	8.9%	11.3%
International listed property	2.1%	-1.0%	1.8%	4.5%	4.1%	7.5%
Australasian equities	3.5%	-0.8%	1.4%	9.7%	9.2%	9.2%
International equities (unhedged)	3.3%	-0.4%	1.5%	12.6%	12.8%	15.8%

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	100%
International listed property	Benchmark 100% hedged	98%
Australasian equities	Benchmark 50% AUD hedged (range of 0-100%)	29%
International equities	Benchmark 65% hedged (range of 0-100%)	61%

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	Resolution Capital Limited
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 Annual fund charge 1.41%	Forms to alter your investment See form section of the 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 ANZ Investment Funds assigned on 16 March 2018 is Silver. See anzinvestments.co.nz/awards for our full awards history, ratings and disclaimers.