

# ANZ INVESTMENT FUNDS

## BALANCED FUND

### ABOUT THIS FUND

The Balanced Fund invests in similar amounts of income assets (cash and cash equivalents and fixed interest) and growth assets (equities, listed property and listed infrastructure). The fund may also invest in alternative assets.

### 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/investmentteam](https://anz.co.nz/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/oa-responsibleinvesting](https://anz.co.nz/oa-responsibleinvesting)

### THIS FUND AT A GLANCE

Size of the fund	\$829.5m
Number of holdings	4,746
Fund start date	April 2010
Suggested minimum investment timeframe	5 years
Annual fund charge	0.97%
Minimum contribution	\$1
Minimum balance	\$1
Minimum withdrawal	
- regular	\$100
- one-off	\$500

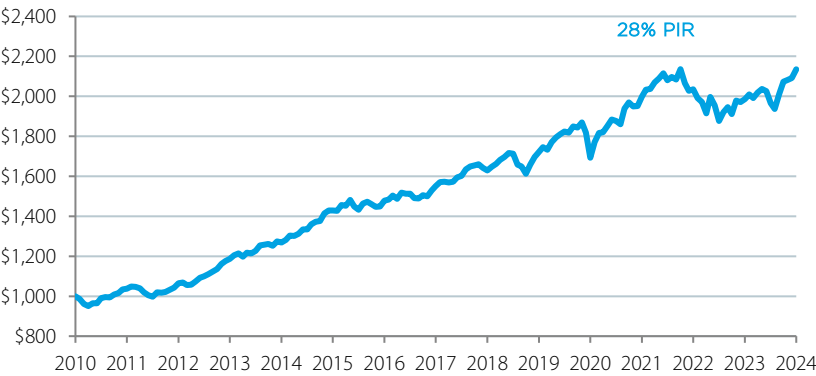
The ANZ Investment Funds guide and product disclosure statement is available at [anz.co.nz/investmentdocs](https://anz.co.nz/investmentdocs).

### HOW THIS FUND HAS PERFORMED



PIR (tax rate)	1mth	3mth	6mth	1yr	3yrs	5yrs	10 yrs
0%	2.20%	2.80%	9.80%	8.43%	2.07%	4.75%	6.00%
17.5%	2.14%	2.90%	9.07%	7.84%	1.95%	4.40%	5.52%
28%	2.11%	2.96%	8.63%	7.49%	1.89%	4.19%	5.23%

### Fund performance since inception



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.

### AWARDS, RATINGS AND CERTIFICATIONS



The **ANZ Balanced Fund** has been certified by the Responsible Investment Association Australasia according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See [www.responsibleinvestments.com.au](https://www.responsibleinvestments.com.au) for details.

The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

MARKET AND FUND REVIEW

International equities had a stellar first quarter of the year, with several share markets in the US, Europe and Asia reaching record highs. The market continued to react enthusiastically to the positive quarterly financial reports from many information technology and consumer services heavyweights, with the evolution of artificial intelligence (AI) being a core theme for investors.

In the US, the S&P 500 Index rose 10.6%, but the European and Japanese markets were standout performers. The Euro Stoxx 50 Index rose 12.8%, while Japan’s Nikkei 225 Index rose 21.5%, helped by a revitalisation of its economy which has been stuck in a deflationary spiral for the last decade.

Meanwhile, international bond markets were unchanged, as expectations for early interest rate cuts were pushed back to later in the year given resilient economic data and signs of sticky inflation in some countries.

New Zealand bonds also experienced volatility and ended the quarter lower. Initial weakness was driven by domestic employment data, which showed the labour market remained tight, therefore underpinning wage (and inflationary) pressures. However, bond prices rose in the latter stages of the quarter, after the Reserve Bank of New Zealand (RBNZ) left interest rates unchanged and signalled a weakening outlook for the economy – and as economic growth data revealed that the country fell into recession in the second half of last year.

Although the fund delivered a positive return over the quarter, its performance was behind that of its benchmark. The fund’s tactical positioning held back performance, as it was overweight to weaker-performing bonds, and underweight to stronger-performing international equities.

It was also a challenging period for our underlying international equity managers, with three out of four of them underperforming the market. An underweight to the information technology and communications services sectors was particularly detrimental, given strong performances from some of the companies within these sectors. Some positives however were strong company selection within both our New Zealand equity and international listed property holdings.

We maintain our underweight to international equities, and overweight to domestic and international fixed interest. This reflects our belief that the global economy will continue to slow in the coming months, dragged down by the flow-on effect of high interest rates. While the resilience of the US economic may mean it’s able to push out a recession, or avoid one altogether, we’re of the view that other regions will continue to slow – and so we remain defensively positioned.

INVESTMENT MIX AND CURRENCY HEDGING

Asset class	Investment mix			Hedging	Underlying fund managers
	Actual	Target	Range		
Cash and cash equivalents	8.19%	10.00%	0.00% - 30.00%	n/a	ANZ Investments
New Zealand fixed interest	12.05%	10.50%	0.00% - 25.50%	n/a	ANZ Investments
International fixed interest	30.45%	29.50%	14.50% - 44.50%	100%	ANZ Investments, Northern Trust, PIMCO Australia
Income assets	50.69%	50.00%	35.00% - 65.00%		
Australasian listed property	3.13%	2.80%	0.00% - 0.16%	98%	ANZ Investments
International listed property	3.23%	3.20%		102%	Resolution Capital
Australasian equities	9.46%	9.50%	0.00% - 24.50%	40%	ANZ Investments, Tyndall AM
International equities	31.58%	32.50%	17.50% - 47.50%	65%	Franklin Equity Group, MFS Institutional Advisors, LSV Asset Management, Vontobel
Other (listed infrastructure)	1.91%	2.00%	0.00% - 8.00%	100%	Maple-Brown Abbott
Other (incl. alternatives)	0.00%	0.00%	0.00% - 12.00%	n/a	n/a
Growth assets	49.31%	50.00%	35.00% - 65.00%		

The actual and target 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.

FUND CHARACTERISTICS

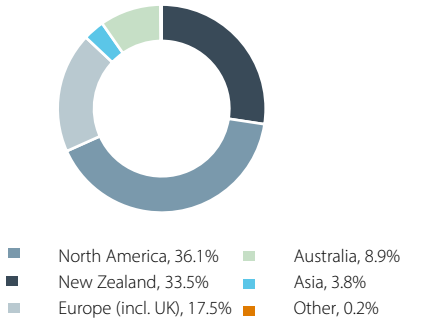
Top 10 growth holdings

Asset name	% of fund
1 Goodman Group	0.7
2 Fisher & Paykel Healthcare	0.7
3 Microsoft Corporation	0.6
4 Auckland Int Airport Ltd.	0.6
5 Visa Inc. Class A	0.5
6 Infratil Ltd.	0.5
7 Equinix, Inc.	0.5
8 Contact Energy Ltd.	0.5
9 Thermo Fisher Scientific Inc.	0.5
10 ASX SPI 200 (SFE) Jun 24	0.5
Total top 10 growth holdings	5.6

Top 10 income holdings

Asset name	% of fund
1 Euro Bund (EUR) Jun 24	1.7
2 3M SOFR (CME) Mar 24	1.2
3 3M SOFR (CME) Sep 25	1.0
4 NZ Govt 3.5% 14/04/2033	1.0
5 NZ Govt 4.5% 15/04/2027	0.7
6 5Y T-Note (CBT) Jun 24	0.6
7 NZ Govt 3.0% 20/04/2029	0.6
8 NZ Govt 0.25% 15/05/2028	0.6
9 NZ Govt 2.75% 15/04/2025	0.6
10 NZ Govt 2.0% 15/05/2032	0.5
Total top 10 income holdings	8.5

Geographic allocation



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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