

28 February 2019

Equity Selection Fund

Fund description

Invests mainly in New Zealand and Australian equities. Investments may include equities in companies that are listed or intend to list on the New Zealand or Australian stock exchanges, and cash and cash equivalents.

Market and fund review

The fund returned 1.2% in February.

The fund is a concentrated portfolio of around 15 stocks. Companies typically make it into this fund where we have a higher conviction that they will outperform over the long term. The fund invests in both New Zealand and Australian companies.

New Zealand shares took their direction from overseas share markets, but outperformed, with the NZX 50 Index up 3.8% in February. The market's strong run this year means that the domestic market has recovered pretty much all of its losses from the fourth quarter of last year. Australian shares also had a good run, with the ASX 200 Index up 5.2%, as it benefited from hopes that the US and China were close to agreeing on a trade deal.

The fund has a significant weighting to the energy sector through its holdings in Contact Energy, Genesis Energy and Meridian Energy. All three companies did well, following some strong profit results and as the outlook for dividends from these companies remains in place.

The fund's significant weighting to cash was a drag on returns, during a time when share prices were sharply higher. We continue to look for opportunities to invest this cash, but currently company valuations remain elevated.

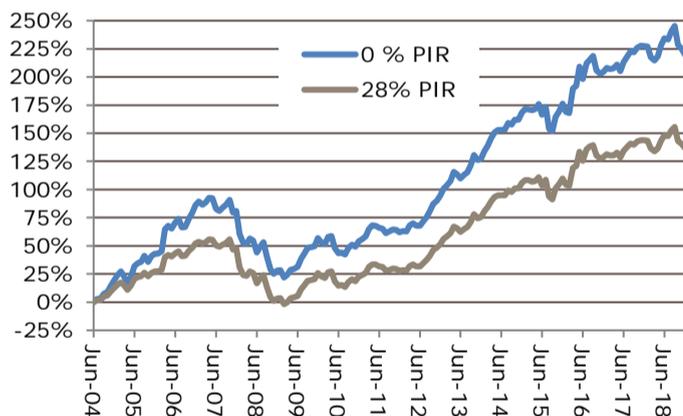
There were mixed performances from the fund's exposure to the retirement sector. Its holding in Ryman Healthcare was a positive, although its holding in Metlifecare was a drag on returns. While company results have generally been on the positive side, there is some negative sentiment hanging over the sector from declining residential house prices.

Fund performance

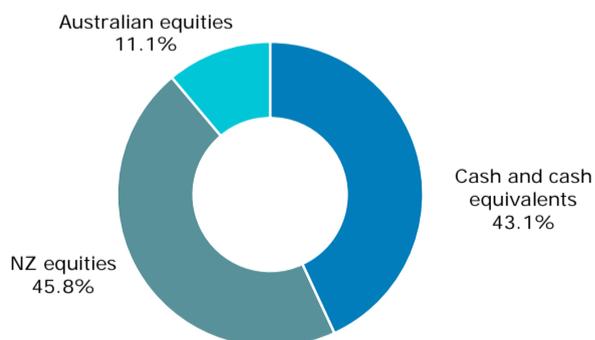
	1mth	3mth	6mth	1yr	3yrs (ann)	5yrs (ann)	Since Launch (ann)
At 0% PIR Tax	1.2%	0.3%	-4.3%	2.6%	6.7%	6.4%	8.4%
At 28% PIR Tax	1.3%	0.3%	-4.4%	2.0%	5.9%	5.5%	6.2%

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. The fund became a PIE fund on 1 October 2007. Performance of the 0% PIR prior to this date has been recalculated on a before tax basis. Performance of the 28% PIR prior to this date are reflective of the tax regime for that period. Performance for periods longer than one year are annualised.

Fund performance since launch



Actual investment mix*



* The actual investment mix of this fund is based on:

- the cash and cash equivalents,
- Australian and New Zealand equity assets

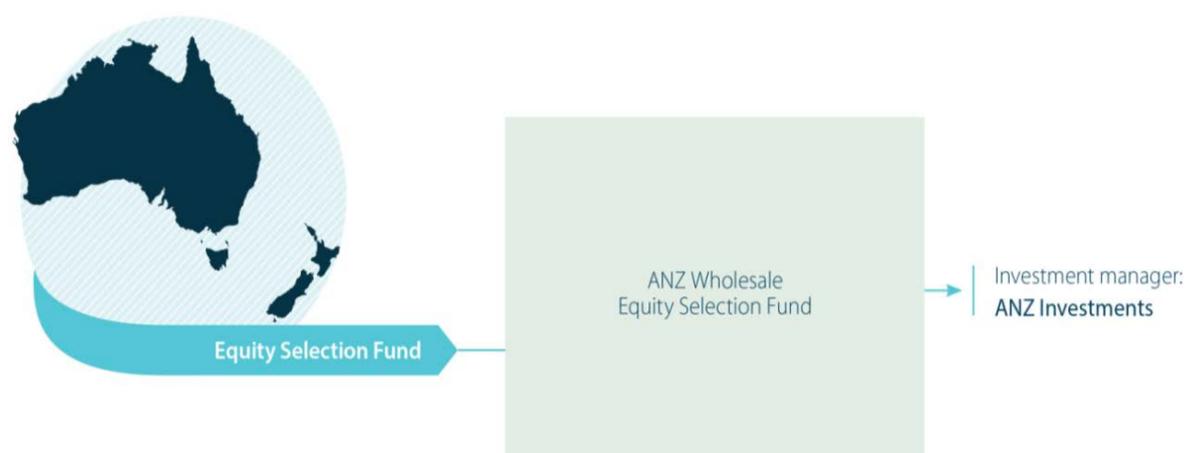
held by both the fund itself and the underlying fund in which the fund invests.

Top 5 Holdings

1	Metlifecare Ltd	8.2%
2	Ryman Healthcare Ltd	5.8%
3	Mainfreight Ltd	5.7%
4	Meridian Energy Ltd	5.7%
5	Contact Energy Ltd	5.4%
Total Top 5 Holdings		30.8%
# of Share Holdings		13

Equity Selection Fund

Current fund structure



Additional fund details

Minimum transaction size

Lump sum withdrawals	\$500
Regular withdrawals	\$100

Fees

Annual fund charge	1.29%
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Launch date

1 July 2004

Detailed fund information

[Guide and product disclosure statement](#)

Forms to alter your investment

[See form section of product disclosure statement](#)

Contact information

0800 736 034

service@anzinvestments.co.nz

investments.anz.co.nz

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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