



ONEANSWER MULTI-ASSET-CLASS FUNDS

A FLEXIBLE APPROACH TO INVESTING

GUIDE

30 AUGUST 2019

ISSUER AND MANAGER:
ANZ NEW ZEALAND
INVESTMENTS LIMITED

WHAT'S IN THIS GUIDE?

Getting started	1
Why us?	2
A snapshot of the funds	4
The assets your fund will hold	6
Estimated returns	7
How the funds are managed	8
Case study: Regular contributions can make a big difference	11
Empower your future: A complement to other savings and investments	12
Next steps	14
About our case studies	15

WELCOME TO THE ONEANSWER MULTI-ASSET-CLASS FUNDS

GETTING STARTED

Making the right decisions now could help you achieve your financial goals. After you've read the guide and product disclosure statement (PDS), there are **three important choices** you need to make.

1

Choose a fund
that suits you
See page 8 of
the PDS

2

Choose how
to invest
See page 4

3

Choose your
correct tax rate
See page 14 of
the PDS

A copy of the OneAnswer Multi-Asset-Class Funds PDS is available at anz.co.nz/OA-MACfunds or by calling 0800 736 034 or +64 9 356 4000.

Once you've made your choices, you can let us know by **completing the relevant application form** at the back of the PDS.

SEEK ADVICE

We recommend you seek advice from a financial adviser who can help with these choices and provide you with guidance and support based on your personal financial situation. A financial adviser can provide you with a copy of their disclosure statement on request and free of charge.

You can find definitions of the terms used throughout the guide and PDS in the other material information, available on the offer register at disclose-register.companiesoffice.govt.nz (click SEARCH OFFERS and search for 'OneAnswer Multi-Asset-Class Funds').

WHY US?

Proven investment knowledge and experience

Our highly experienced investment management team has a focus on long-term performance. They have a strong record of investment performance based on a consistent and disciplined process for managing investments.

They manage and adjust the mix of asset classes that make up your investments and also manage most of the Australasian assets.

For international assets, we use a small number of external fund managers who we believe are among the best in their class.



You can find out more about our investment management team at anz.co.nz/oneanswer



See pages 8 to 9 for more information about our external fund managers.

“Leading player in the local funds management industry.”

– Morningstar Research Report, published 11 April 2019*

Your investment is actively managed

Markets never stand still and neither do we. Our active approach to investing means we monitor local and global markets to identify what we believe are the best opportunities to optimise your investment.

Your investment is diversified

You benefit from investing in multi-asset-class funds that spread their investments over hundreds of assets across local and international markets.

Your investment will access a broad range of assets you might not be able to invest in yourself.



See page 6 for more information about the assets our funds invest in.

A complement to other savings and investments

OneAnswer Multi-Asset-Class Funds are flexible as you can usually withdraw some or all of your investment at any time. The funds can be used to complement other types of savings or investments, such as KiwiSaver and term deposits.

Together, they can make your money work smarter, keeping you on track for all of your saving and investment goals.



See page 12 for more information on how this could work for you.

We're trusted by many New Zealanders

We've operated in New Zealand since 1989 and manage more than \$28 billion on behalf of individuals, trusts, corporates, KiwiSaver schemes, superannuation schemes and charities.

More than 770,000 investors trust us to manage their investments.



You can find out more about us at anzinvestments.co.nz

Your adviser has choice

Your adviser is not an ANZ employee or agent. Your adviser can choose the OneAnswer Multi-Asset-Class Funds or any other third-party funds.

You're always connected

You can track your investment in ANZ Internet Banking and ANZ goMoney. This will give you access to up-to-date information, including your investment balance, transactions and a summary of your investment performance.

If you hold an ANZ bank account, you can transfer any amount directly into your investment at any time through ANZ Internet Banking.

If you're not an ANZ banking customer, you can visit your nearest ANZ branch to be set up with ANZ Internet Banking. You will need to provide proof of identity. Please go to anz.co.nz/OA-myid for the full list of acceptable identity documents.

If you provide us your email address you'll also get regular, practical information and insights about your investment, helping you to make informed choices.

You can find helpful resources online

Our website has valuable information and resources that can help you manage your investment.

You'll also find the latest:

- fund performance
- fund unit prices
- fund fact sheets
- fund updates
- market information.



anz.co.nz/OA-MACfunds

* Morningstar has consented to the use of this quote. For more information about Morningstar, see our website.

EXPERTS IN MULTI-ASSET-CLASS INVESTING

ANZ Investments has been managing multi-asset-class investments for more than 25 years and has been recognised by numerous awards over that time.

Awards



Morningstar Awards, Fund Manager of the Year, New Zealand Category

Winner: 2015, 2012, 2006, 2005, 2004, 2001 and 2000

Finalist: 2016, 2014, 2013, 2010 and 2002



See anz.co.nz/OA-investmentsawards for our full awards history, ratings and disclaimers.

"[ANZ Investments] has a strong investment culture and a proven recipe for success."

– Morningstar Research Report, published 11 April 2019*

Morningstar Analyst Ratings™



The funds have a Morningstar Analyst Rating™ of 'Bronze'.

- Conservative Fund – bronze rating assigned on 11 April 2019
- Conservative Balanced Fund – bronze rating assigned on 11 April 2019
- Balanced Fund – bronze rating assigned on 11 April 2019
- Balanced Growth Fund – bronze rating assigned on 11 April 2019
- Growth Fund – bronze rating assigned on 11 April 2019



See inside back cover for ratings disclaimer.



A SNAPSHOT OF THE FUNDS

How do you join?

It's easy to join. All you need to do is:

1. read the PDS
2. complete and send us an application form.

Remember to provide your email address, so we can keep you up-to-date on your investment.

If you have any questions, contact your financial adviser, or contact us:


 service@anzinvestments.co.nz

 0800 736 034 or +64 9 356 4000

You decide which fund to invest in

We offer five diversified investment funds. Each fund has a different asset class mix. This means each fund has a different level of risk and expected return.

You can choose the fund that is best suited to your needs.

 For more information about our funds, including investment objectives, an asset allocation summary and minimum investment timeframes, see pages 8 to 9 of the PDS.

More help on choosing a fund

We recommend you seek advice from a financial adviser if you need help choosing a fund.

Your financial adviser can provide you with guidance and support, and a plan based on your personal financial situation.



Use our online risk profile tool

You can use our online risk profile tool to help identify your tolerance for risk, and which fund might be right for you.



anz.co.nz/OA-riskprofiletool

Flexible payment options

Invest as much or as little as you like

We don't have a minimum payment amount into our funds; it can be as big or as small as you like. We also don't have a required minimum balance.

You can make regular payments

You can set up regular fortnightly, monthly or quarterly payments straight from your bank account.


You can make lump sum payments

You can also make lump sum payments at any time, whether or not you have a regular payment set up.

Or, you can do both

The funds offer you the flexibility to make contributions on a regular basis, as well as adding a lump sum investment.

We don't charge any contribution, switching or establishment fees.

 For more information about payment options, see pages 6 to 7 of the PDS.

You have flexibility to withdraw

You can usually request a withdrawal on any business day.

The minimum lump sum withdrawal amount is \$500. For regular withdrawals, the minimum is \$100 per fund.

You can also set up a regular withdrawal to supplement your income or support your lifestyle.

Once your account balance reaches \$0, your account will close.


We don't charge any fees for making a withdrawal or for closing your account.

 For more information, see page 7 of the PDS.

Each fund has a maximum fee

The annual fund charge is the total fee for your investment. The fee is a percentage of the net asset value of each fund, and is deducted from it.

You will not pay more than this fee.

 For more information, see page 12 of the PDS.

Investing involves risks

Investing in the funds will involve taking some risk.

Your investment might not do as well as expected and you may not receive back the full amount you invested.

We recommend that you talk to your financial adviser about the investment options available to you.

Your investment is not guaranteed

Your investment in the funds is not guaranteed by anyone.




YOUR INVESTMENT IS MADE UP OF:



+/-

Your payments

The payments (less withdrawals) you make.

 See pages 6 to 7 of the PDS.



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Returns

Your investment can go up or down because of the performance of your fund.

Returns reflect gains or losses made when assets our funds invest in change in value or earn income.




-/+

Fees

There is an annual fund charge that varies depending on the fund you're invested in.

It's deducted straight from the fund.


 See page 12 of the PDS.



Taxes

If you're an individual or joint investor, taxes (or tax rebates) that apply to your investment are automatically deducted from (or added to) your account at the prescribed investor rate (PIR) you provide us with.

If you're not an individual or joint investor, you may need to pay tax yourself.

 See page 14 of the PDS.



Make sure you're on the right tax rate. Check your PIR. See page 14 of the PDS for more information.

THE ASSETS YOUR FUND WILL HOLD

Types of assets

The funds invest in four main asset classes; cash and cash equivalents, fixed interest, equities and listed property. They can also invest in a small amount of listed infrastructure assets and alternative assets.

The four main asset classes can be grouped into two categories, as shown below.

The mix of assets in your fund is important

Growth assets are likely to experience larger movements in value compared to income assets. However, they are also expected to achieve higher investment returns over the long term. This concept is the 'risk/return' relationship, and is illustrated in the graph below and bar chart on the opposite page.

We offer a range of funds that invest in a different mix of growth assets and income assets. Depending on the mix of assets, each fund has a different risk/return profile.

If you're seeking:

- **higher returns**, you need to be willing to accept more risk (for example, by investing in a fund with more growth assets)
- **lower risk**, you need to be willing to accept lower returns (for example, by investing in a fund with more income assets).

INCOME ASSETS



Cash and cash equivalents



Fixed interest (such as bonds)

GROWTH ASSETS

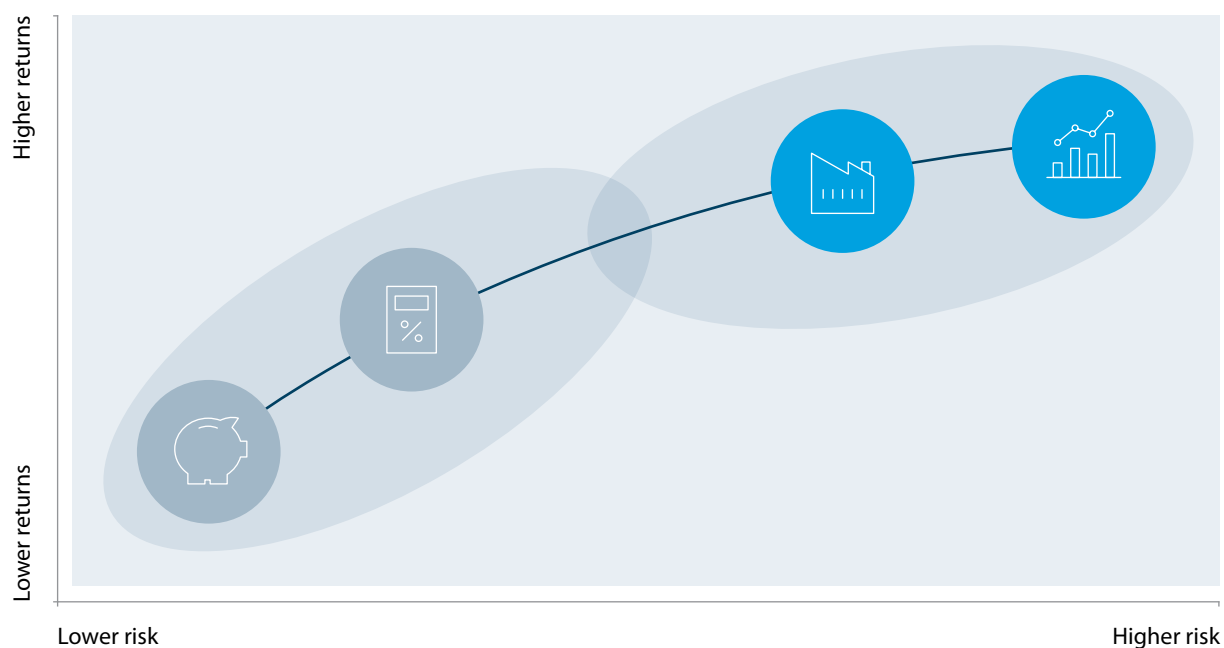


Listed property



Equities

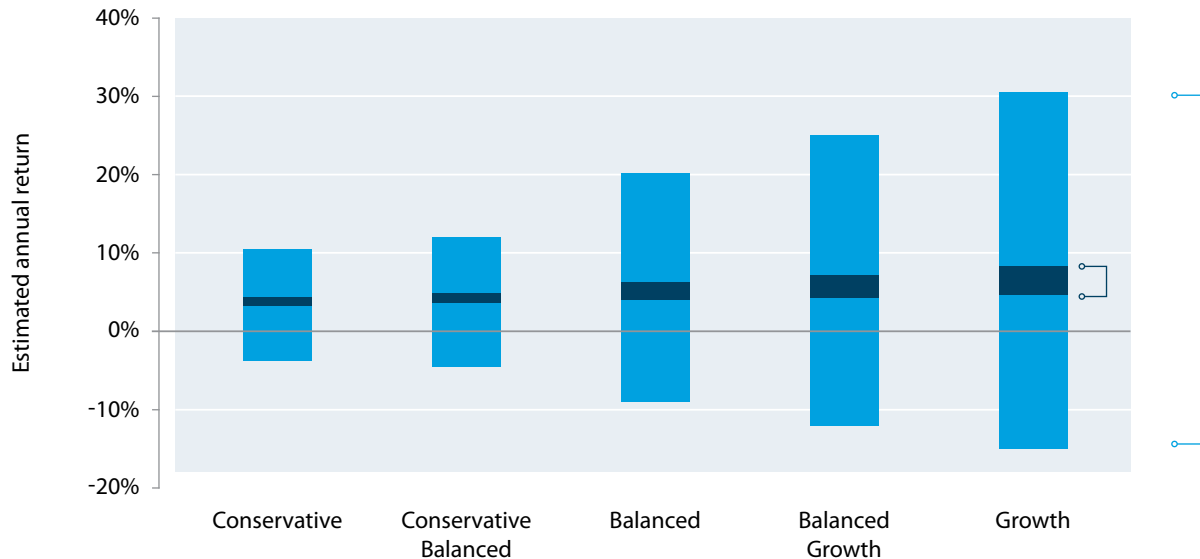
Risk/return profile over the long term



The graph is not to scale and is for illustrative purposes only. Risk and returns of the different types of assets can vary over different stages of the market cycle. For more information about risks see page 11 of the PDS. Also see our investment objectives on page 8 of the PDS.

UNDERSTANDING OUR ESTIMATED RETURNS FOR EACH ONEANSWER MULTI-ASSET-CLASS FUND

As explained on the page opposite, the relationship between risk and return is mostly determined by the mix of assets your fund holds. This is illustrated by our estimate of the range of returns for each fund shown in the bar chart below.



- The estimated range of returns we believe each fund may achieve in **any single year**
- The estimated average annual return for each fund that we believe may occur over the **next 10 years**

These returns are estimated and are based on assumptions

These returns take into account current market circumstances as at the date of this guide, as well as long-term considerations.

Both sets of returns are after fund charges and before taxes. They are based on assumptions such as:

- what the expected return of each asset class will be
- what the volatility of each asset class will be (how much the value will go up and down).

The return assumptions include consideration of:

- factors such as inflation, economic growth, corporate earnings growth, trends in interest rates and market sentiment towards asset classes, and
- fund-specific factors such as fund fees and expected added value from active management.

It is important to remember that both sets of returns are **not guaranteed**. Your actual return each year could be outside of these estimates.

Estimated average annual returns for the next 10 years

Fund	Estimated average annual return (next 10 years)
Conservative	3.3% – 4.4%
Conservative Balanced	3.6% – 4.8%
Balanced	4.1% – 6.3%
Balanced Growth	4.3% – 7.2%
Growth	4.7% – 8.3%

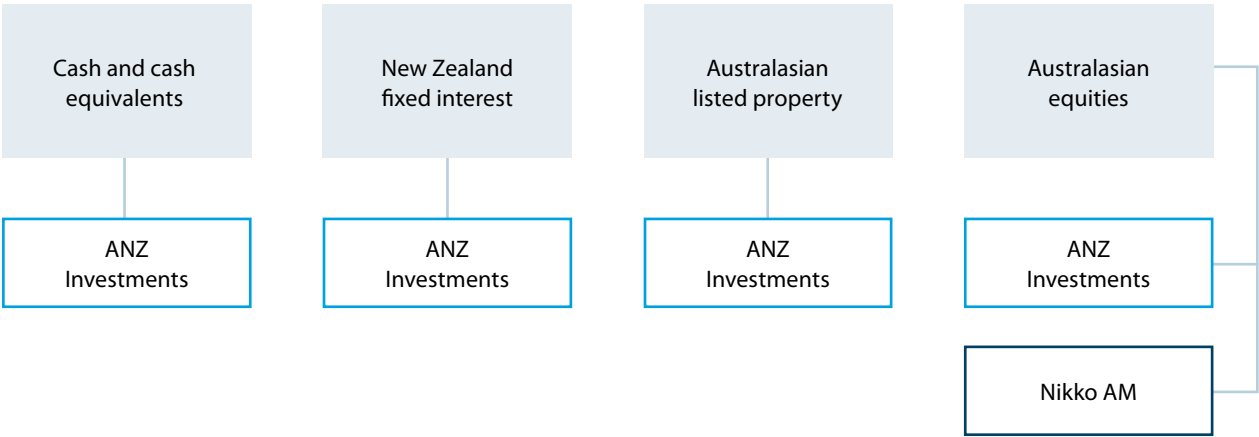
HOW THE FUNDS ARE MANAGED

Our New Zealand-based investment management team manages these funds. The team monitors the attractiveness of each asset class, and adjusts the allocation depending on how it believes each will perform.

The funds invest into underlying funds that we manage. We believe this management structure benefits you because it creates efficiencies and we have greater control of the overall cost to you.

Our investment management team selects the assets for most of the underlying funds investing in Australasian assets. For the underlying funds investing in international assets, they are selected by a small number of external fund managers who we believe are among the best in their class.

Australasian asset classes



ANZ Investments

We set and adjust the mix of asset classes that make up each fund. Additionally we manage cash and cash equivalents, New Zealand fixed interest, Australasian listed property and some Australasian equities. We look for high-quality assets with an attractive return profile at a reasonable price.

Nikko AM

Nikko AM Limited (Nikko AM) is a Sydney based manager who manages a portfolio of Australian equities. Nikko uses an investment style that seeks to identify good value stocks that offer the best compromise between risk and expected return.

Vanguard Investments Australia

Vanguard Investments Australia Limited (Vanguard) manages a portfolio of international fixed interest assets issued by governments. Vanguard also manages a portfolio of international credit securities.

Resolution Capital


Resolution Capital Limited (Resolution Capital) manages a select and diverse group of global listed property assets that are capable of generating superior risk adjusted returns for investors.

OUR SELECTION AND MONITORING PROCESS

Our selection of external fund managers follows an extensive research process. A number of factors are considered, such as people (experience and stability of the team), process (consistency of philosophy and style), business and performance.

The managers' performance, strategy and investment processes are monitored on a regular basis.

The external fund managers of our underlying funds at the date of this guide are shown below. They may change from time to time.

 You can find the current external fund managers in the SIPO, which is available on the offer register at disclose-register.companiesoffice.govt.nz (click SEARCH OFFERS and search for 'OneAnswer Multi-Asset-Class Funds').

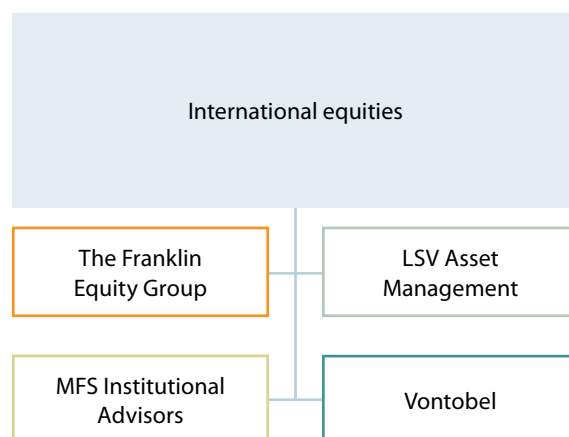
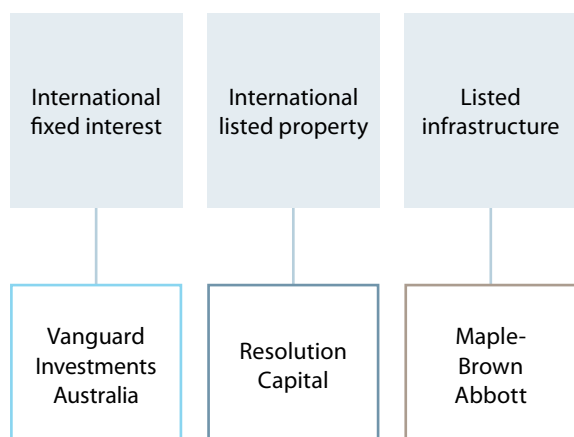
Responsible investing

We're committed to responsible investing because we believe it's in the best long-term interests of our investors. Responsible investing is good for society, and it's good for our investment portfolios too.

Our goal is to deliver sustainable performance in a sustainable way. When we assess investments, we look at a range of both financial and non-financial criteria. We believe that environmental, social and governance factors are some of the drivers of long-term investment risks and returns.

 Find out more at anz.co.nz/OA-responsibleinvesting

International asset classes



The Franklin Equity Group

The Franklin Equity Group (Franklin), a part of Franklin Templeton Investments, manages a portfolio of international equities. Franklin aims to invest in quality companies with the potential to produce sustainable earnings and cash flow growth.

MFS Institutional Advisors

MFS Institutional Advisors Inc. (MFSI) manages a portfolio of international equities. MFSI aims to invest in quality companies with sustainable, above-average growth and returns.

Maple-Brown Abbott

Maple-Brown Abbott (MBA) manages a portfolio of international listed infrastructure securities. MBA targets infrastructure assets that they believe have a high degree of inflation protection, low cash flow volatility and strong corporate governance.

LSV Asset Management

LSV Asset Management (LSV) manages a portfolio of international equities. LSV aims to invest in out-of-favour or undervalued stocks that have the potential for near-term appreciation.

Vontobel

Vontobel Asset Management Inc (Vontobel) manages a portfolio of international equities. Vontobel aims to invest in sensibly priced, high-quality companies that can grow earnings faster than the market on a sustainable basis.



CASE STUDY: REGULAR CONTRIBUTIONS CAN MAKE A BIG DIFFERENCE

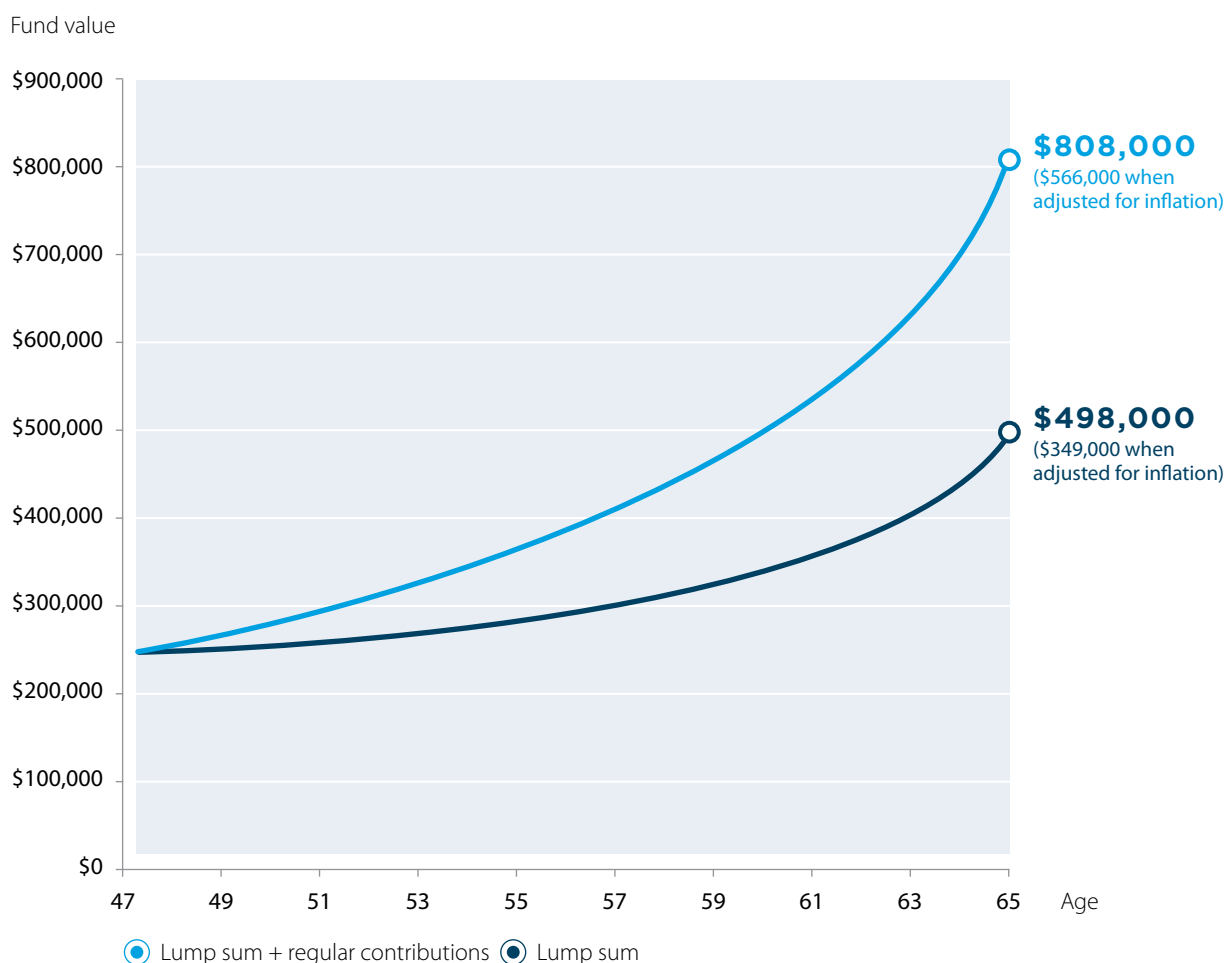
George and Karen are both aged 47 and own a business. They've worked hard over the past 20 years and managed to save a nest egg of \$250,000. They want to continue building on that sum while they're still working.

They're considering investing a further \$1,000 each month – on top of their lump sum – until they're ready to retire, probably when they both turn 65. So they're looking for an investment that offers both flexibility and moderate risk. They decide to invest in the Balanced Fund.

By the time they reach 65, their investment could have grown to \$498,000 (\$349,000 when adjusted for inflation). However, if they chose to make regular contributions of

\$1,000 each month on top of the lump sum, their total savings could have grown to \$808,000 (\$566,000 when adjusted for inflation).

Depending on their circumstances at retirement, George and Karen could continue to invest in the Balanced Fund or switch to a lower-risk fund, review their regular payment amount, perhaps start a regular withdrawal, or even think about a large withdrawal for a dream holiday.



We recommend you talk to your financial adviser about the investment options available to you.

 For background information and numbers used in this case study, see page 15.

EMPOWER YOUR FUTURE: A COMPLEMENT TO OTHER SAVINGS AND INVESTMENTS

We know you have different savings goals, both short and long term. So, make your money work smarter using the flexible features of the funds, with other types of savings or investments, such as KiwiSaver and term deposits.

This table compares some of the features of each of these investments.

Product features	OneAnswer Multi-Asset-Class Funds	KiwiSaver	Bank term deposit
Minimum investment	None	None	Yes
Withdrawal flexibility	Anytime	Restricted	Restricted
Add to your investment	Anytime	Anytime	No
Risk	Medium-high	Low-high	Low
Investment timeframe	Medium to long term	Medium to long term	Short to medium term
Expected return	Variable	Variable	Fixed
Diversification	High	High	Low
Fund charges	Yes	Yes	No

You can contribute into a fund on any day, with no minimum contribution amount. Your investment has more withdrawal flexibility than KiwiSaver (if you are aged below 65 years) and term deposits as you can request a withdrawal on any business day.

The funds can complement long-term goals such as retirement, but can also be used for other savings aspirations that you may have for yourself or family, such as saving for children's education, a house deposit, boat or home renovation. See our case study on the next page for how this might work for you.

 See pages 6 to 7 of the PDS for more information on contribution and withdrawal options, including any restrictions.

CASE STUDY: A SMART WAY TO INVEST MORE FOR YOUR FUTURE

Andrew is 30 years old and earns \$65,000 (before tax) per year. He's saving for his retirement using KiwiSaver, but wants to add to his savings without locking them in.

He contributes 3% of his salary to his KiwiSaver account. This way he benefits from his employer's contributions and the annual Government contribution of \$521.43. All his savings from his KiwiSaver account will be locked in until he's 65.

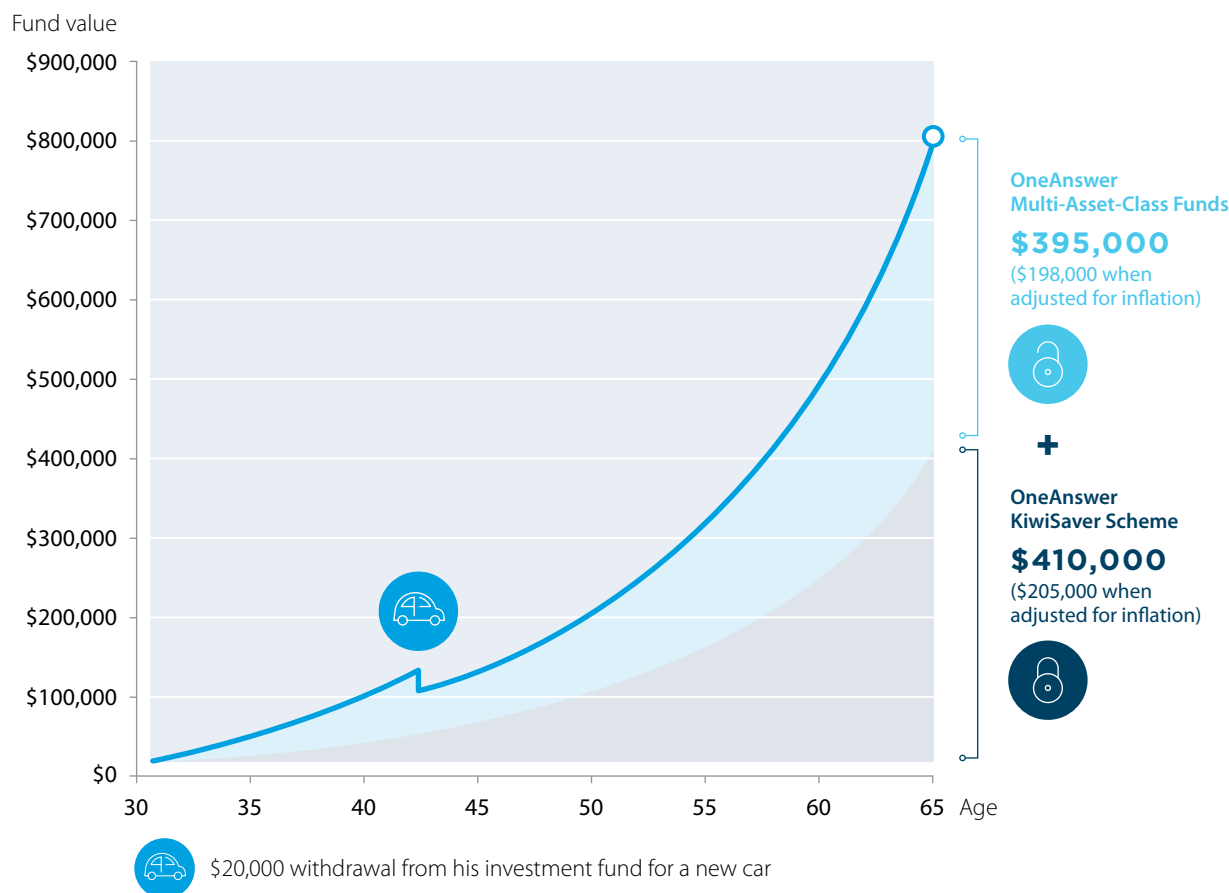
Andrew also wants to save more for his retirement, but has other more medium-term goals, such as a car or a holiday. Andrew needs withdrawal flexibility for these other goals. He wants a diversified investment that he can access at any time.

So he decides to also make regular payments of 5% of his salary into the Balanced Growth Fund.

At age 42, Andrew made a \$20,000 withdrawal from his investment fund to purchase a new car. Here's what Andrew's total retirement savings might look like at age 65.

TOTAL COMBINED RETIREMENT SAVINGS: \$805,000

(\$403,000 when adjusted for inflation)



We recommend you talk to your financial adviser about the investment options available to you.

For background information and numbers used in this case study, see page 15.

NEXT STEPS

You can find more information about the OneAnswer Multi-Asset-Class Funds in the PDS. When you're ready to join the OneAnswer Multi-Asset-Class Funds:



Complete the relevant application form at the back of the PDS.



ABOUT OUR CASE STUDIES

General assumptions

All of the case studies in this guide are examples to help you understand how an investment in a fund can help you achieve your investment goals. The figures and graphs used are for illustration only and may not reflect actual returns.

The figures in our case studies:

- show projected savings, both:
 - where they haven't been adjusted for the effect of rising prices over time (that is, inflation), in which case the amount does not reflect the 'real' buying power in the future
 - where they have been adjusted for inflation of 2% per year to show the 'real' buying power of the savings in the future
- assume positive investment performance each year (after charges and taxes at a prescribed investor rate of 28%) of:
 - Balanced Fund: 3.9%
 - Balanced Growth Fund: 4.6%

These returns are projected long-term returns. They differ from the projected average annual range of returns that we believe may occur in the next 10 years as described on page 7. This is because the time frames in the case studies are for the long term and we believe it is more appropriate for the case studies to use returns based on a longer-term horizon

- generally round savings to the nearest \$1,000
- account for tax when appropriate
- assume that no withdrawals are made during the course of the investment, unless specifically mentioned.

Additional assumptions

Andrew's case study:

- assumes he is invested in the Lifetimes option of the OneAnswer KiwiSaver Scheme, with figures that:
 - assume employer contributions are 3% of the stated before-tax salary
 - assume his salary will increase by 3.5% each year
 - apply Government contributions appropriate to the contributions made and at today's levels only
 - assume positive investment performance in the funds within the OneAnswer KiwiSaver Scheme each year (after fees and taxes using a prescribed investor rate of 28%) of:
 - Conservative Fund: 2.2%
 - Conservative Balanced Fund: 3.0%
 - Balanced Fund: 3.9%
 - Balanced Growth Fund: 4.6%
 - Growth Fund: 5.4%
 - assume a membership fee of \$1.50 per month
 - account for tax on employer contributions when appropriate
 - assume his date of birth is 1 July, with projected savings calculated in July.

ANZ New Zealand Investments Limited is the issuer and manager of the OneAnswer KiwiSaver Scheme. A copy of the OneAnswer KiwiSaver Scheme product disclosure statement is available at anz.co.nz/OA-kiwisaver.

Morningstar information

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Investments in the funds aren't deposits in ANZ Bank New Zealand Limited, Australia and New Zealand Banking Group Limited, or their subsidiaries (together 'ANZ Group'), nor are they liabilities of ANZ Group. ANZ Group doesn't stand behind or guarantee ANZ New Zealand Investments Limited. Investments are subject to investment risk, including possible delays in repayment, and loss of income and principal invested. ANZ Group won't be liable to you for the capital value or performance of your investment.

Contact us

 0800 736 034 or +64 9 356 4000

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