

For release: 26 August 2020

### **ANZIS stops new investment in Bonus Bonds and moves to wind up scheme**

ANZ Investment Services (New Zealand) Ltd (ANZIS) today announced it will stop accepting new investment into the Bonus Bonds Scheme as low interest rates continue to reduce the prize pool.

"We're always reviewing our investment products to ensure they best serve the interests of investors," said Ben Kelleher, Managing Director Retail and Business Banking for ANZ.

"Low interest rates have reduced the investment returns of the scheme which affects the size of the prize pool. It has now become apparent those trends are likely to continue in the medium term. The Official Cash Rate, currently at a historically low 0.25%, may fall further in early 2021 as the global economy grapples with the impacts of Covid-19.

"The ANZIS Board decided it is no longer appropriate to accept new investment into Bonus Bonds with immediate effect, and intends to start winding up the scheme no later than the end of October. Winding up the scheme includes the process of returning funds to bondholders.

"Before the start of a wind up, the scheme will continue to operate, with two more prize draws expected."

Bonus Bonds was launched by the New Zealand Government through the Post Office in 1970. Instead of earning interest or receiving investment gains or losses, each eligible Bonus Bond gives bondholders one entry into the monthly prize draw, where investment returns of the scheme are returned to investors as prizes. The top prize in the monthly draw is \$1 million.

The September and October prize draws are intended to be held as scheduled and customers can continue to redeem their Bonus Bonds until winding up starts. However, ANZIS might move to an earlier wind up, for example, if there is a heavy demand for redemptions or it otherwise considers it is in the overall best interests of investors to do so.

"Investors have two choices. They can redeem their Bonus Bonds before the scheme starts to wind up, or stay in the scheme and be entitled to a share of the remaining reserves, after expenses, when the scheme is wound up," Mr Kelleher said.

"Those who choose to stay during the wind-up phase will have their investments locked in during this process, which may take up to 12 months.

"The board believes current reserves are sufficient for bondholders to be confident they will receive back their initial investment. The reserves represent the surplus of the value of assets in the scheme over the claims of bondholders."

With Covid-19 restrictions in place, Mr Kelleher urged bondholders to consider when was the appropriate time for members to redeem their bonds, and information can be found at [www.bonusbonds.co.nz](http://www.bonusbonds.co.nz)

It was not immediately necessary for a member to go to an ANZ branch Mr Kelleher said.

### **About ANZ Investment Services**

ANZIS is a wholly owned subsidiary of ANZ Bank New Zealand Limited and is part of the ANZ Group of companies. ANZIS is the manager of the Bonus Bonds Scheme.

### **About Bonus Bonds**

The Bonus Bonds Scheme is a unit trust registered under the Financial Markets Conduct Act 2013 (FMCA) as a managed investment scheme. A Bonus Bond is a unit in the scheme. The Bonus Bonds Scheme is governed by the Governing Document (pre FMCA this used to be called a Trust Deed) which is an agreement between Trustees Executors Limited as the Supervisor (pre FMCA they were the Trustee) and ANZIS as the Manager, which details each party's rights and responsibilities and requirements for how the scheme will be managed.

### **About the Bonus Bonds Scheme reserves**

The Bonus Bonds Scheme invests in high-quality, mostly short-term assets and has an 'AA+' rating from S&P which signifies that the credit quality of fund's portfolio exposure is very strong.

### **Important security warning:**

Fraudsters may send 'phishing' emails to people and pretend to be from ANZ to try to obtain customers' personal information or gain access to their bank accounts.

Remember:

- We will never send any emails with attachments or ask customers to click a link through to ANZ Internet Banking, download any software on to their computer or ask for their password.
- Customers should always log on to MyBonusBonds by typing [www.bonusbonds.co.nz](http://www.bonusbonds.co.nz) or [www.anz.co.nz](http://www.anz.co.nz) into the address bar, rather than following any links.

For media enquiries contact: Stefan Herrick 021 748492