

News Release

For Release: 4 March 2024

ANZ Private launches UHNW bond solution

ANZ Private Bank today announced an agreement with Income Asset Management (IAM) to provide its ultra-high net worth (UHNW) clients access to direct bond portfolios managed by its Chief Investment Office (CIO).

The bespoke solution, with a minimum AUD\$50m investment, provides clients access to an individual bond mandate managed directly by ANZ's Chief Investment Officer, Lakshman Anantakrishnan.

Unlike a traditional portfolio, the assets are held in an entity name rather than a fund structure and can be tailored to the individual needs of each client, with an initial focus on AUD denominated bonds from global and domestic issuers.

The agreement with IAM follows the appointment of Mr. Anantakrishnan to ANZ's 15-person CIO in late 2021, and the bolstering of a specialist family office function within the bank.

In previous roles, Anantakrishnan managed institutional bond portfolios and ran a similar solution for close to a decade while Head of Portfolio Management at Credit Suisse. His experience an important factor in ANZ Private offering the solution to clients.

ANZ Private General Manager, James Dunlop said: "It was critical we had someone with Lakshman's background running bond portfolios, a rarity in the private wealth market."

"We've seen strong investment from clients already and we expect this demand to continue given the current yields on offer and relative security provided by the asset class," Mr Dunlop said.

The offering comes as clients continue to ask for new opportunities amidst the higher rate environment and ahead of a potential easing cycle commencing later this year.

Commenting on the offering, Mr Anantakrishnan said: "With the equity risk premium under pressure, the yield available on high quality bonds is an attractive proposition and the offering allows us to tailor individual portfolios that are unique to the needs of each client."

ANZ Private utilises the IAM platform to build portfolios and trade bonds held with sub-custodian JPMorgan.

IAM Chief Executive Officer, Jon Lechte said: "With bonds offering the best yields in decades, we have witnessed a shift in the asset allocation preferences of high-net-worth investors seeking to diversify away from equities."

"There has been a significant expansion in the investment appetite for high quality, investment grade bonds and we are pleased to be working with ANZ to provide access to this in a portfolio solution for their clients," he said.

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