

# Australian Property Securities Fund

Fund Focus - September 2023



## Investment Strategy

The Fund invests in a range of listed property securities, spread primarily across retail, commercial, industrial and residential property sectors.

## Portfolio Characteristics

Funds Under Managemem..	\$285.73m
Number of Holdings	32
Turnover Ratio %	8.020
Latest Distribution Date	30 June 2023
Latest Distribution Amount	0.0040
Benchmark	S&P/ASX 300 AREIT Accumulation Index

## Fund Facts

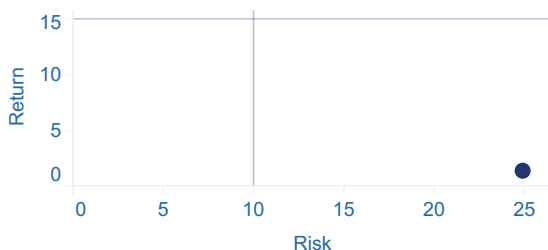
APIR Code	ZUR0064AU
Inception Date	28 February 2000
Total Est. Management Cost %	0.81
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.30
Distribution Frequency	Quarterly
Underlying Fund Manager	Renaissance Property Securities Pty Ltd

## Fund Performance After Fees

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.31	0.33	2.49	2.54	2.69	5.91
Growth	-8.74	-2.94	8.99	3.03	-1.15	0.74
Total	-8.43	-2.62	11.48	5.57	1.54	6.64
Benchmark	-8.66	-3.04	11.94	4.89	2.84	6.34

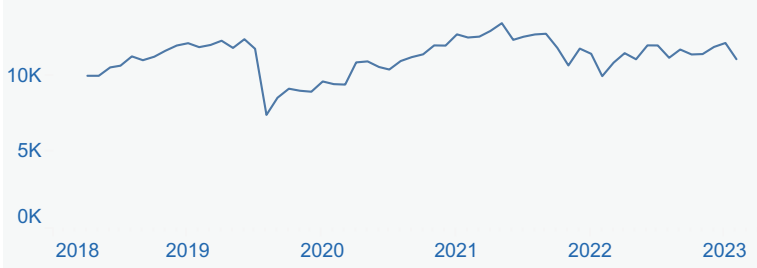
## Risk Reward

1 Oct 2018 to 30 Sep 2023



## Investment Growth (\$10,000)

1 Oct 2018 to 30 Sep 2023



## Top 10 Holdings (%)

	Weight	Benchmark
Goodman Group	26.42	30.23
Scentre Group	12.80	10.50
Stockland	8.12	7.69
Mirvac Group	6.35	6.91
Vicinity Centers	6.32	5.39
Dexus	5.62	6.46
Gpt Group	5.39	6.14
Charter Hall Group	4.05	3.69
Unibail-rodamco-west	3.67	0.47
Carindale Prop Trst	2.74	0.00

## Portfolio Equity Sectors (%)



## Risk Statistics

1 Oct 2018 to 30 Sep 2023

Std Dev	24.89
Alpha	-1.25
Beta	0.99
Sharpe Ratio (arith)	0.06
Up Capture Ratio	93.11
Down Capture Ratio	96.38

## Top 5 Active Positions

	Portfolio Weight (%)	Benchmark	Active Position (%)
Unibail-rodamco-west	3.67	0.47	3.20
Carindale Prop Trst	2.74	0.00	2.74
Gdi Property Group	2.57	0.23	2.34
Scentre Group	12.80	10.50	2.31
Aspen Group	1.14	0.00	1.14

## Market Commentary

The AREIT market rose over the first two months of the quarter but fell sharply in September on the back of steeply rising bond yields and increasing acceptance by the market that interest rates would need to stay higher for longer.

The Reserve Bank of Australia remained on pause over the quarter and the Australian economy showed resilience with house prices also continuing to rise led by Adelaide, Brisbane, and Sydney.

## Fund Commentary

The Fund fell with the market over the September quarter but was ahead of the index return by 0.42%. Calendar year-to-date, the Fund has edged ahead of the positive index return.

Underweight positions that contributed positively in the quarter included Charter Hall Long WALE, Waypoint, Cromwell Property Group and Region Group. The long WALE stocks (Chater Hall Long WALE and Waypoint) tend to be more sensitive to bond yields, though were also impacted after management guided to lower earnings. In addition, these stocks have elevated gearing. Cromwell underperformed as it is highly leveraged, has high office exposure, and the business is also exposed to Europe via its European funds management business. Convenience retailer, Region Group, fell after it guided to lower earnings.

The underweight position in Goodman Group detracted over the quarter after the stock rose following the announcement that the company will start to develop, own, and manage data centres.

The overweight position in GDI Property Group detracted. GDI Property Group continues to be hampered by slower leasing in Perth and the market remains concerned about its exposure to office and stubbornly high vacancy.

At quarter end the investment team increased exposure to office stocks via Growthpoint, Abacus Group, Dexus and Centuria Office, as these names have underperformed and trade at meaningful discounts to Net Tangible Assets (NTA). Exposure to the fund managers was also increased via Charter Hall Group and Centuria Group following significant underperformance

Exposure was reduced to Homeco Health and Wellness, Homeco Daily Needs, Unibail, Dexus Industria and Vicinity. Homeco Health and Wellness significantly outperformed the market on index inclusion and is now one of the more expensive stocks in the sector. Homeco Daily Needs also outperformed on index upweighting. The overweight to Unibail was trimmed slightly on outperformance. Dexus Industria was used as a funding tool for much better value in the office and fund manager names. Vicinity was trimmed on continued outperformance.

Abacus demerged during the quarter forming Abacus Group and Abacus Storage King. The demerger saw the Fund move from a 0.25% overweight in Abacus to a 0.10% overweight in the two demerged vehicles.

\* Performance returns quoted are compound rates of return calculated on exit prices and assume reinvestment of distributions. Returns are calculated net of all ongoing fees and any taxes payable by the fund. Total return includes both growth and distribution returns. Growth return is the change in exit price over the relevant period. The benchmark return shown is a gross return. Please note that figures shown are rounded to one decimal place, therefore some rounding errors may occur.

^ The Estimated Total Management Cost of 0.81% includes an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0.00%.

Past performance is not a reliable indicator of future performance.

This report is issued by Zurich Investment Management Limited ABN: 56 063 278 400, AFSL: 232511, GIIN: FVHHKJ.00012.ME.036 : . The information in the report has been derived from sources reasonably believed to be reliable and accurate and is to be used for research purposes only. Subject to law, none of the companies of the Zurich Financial Services Australia Limited Group, nor their directors or employees, gives any representation or warranty as to the reliability, accuracy or completeness of the information, nor accepts any responsibility arising in any way (including by reason of negligence) from errors in or omissions from, the information provided. A Product Disclosure Statement (PDS) for the Fund is available and can be obtained by calling Zurich Investments on 131 551. The PDS should be considered in deciding whether to acquire, or to continue to hold, an investment in the fund. This information is of a general nature only and does not take into account the investment objectives, financial situation or particular needs of any investor and should not be taken as a securities or stock recommendation. These factors should be considered before any investment decision is made in relation to the fund. Furthermore, this product has been designed to meet certain objectives, financial situations and needs, which are described in our Target Market Determination available at [zurich.com.au/tmd](http://zurich.com.au/tmd)  
PIRD-021425-2023