

Australian Property Securities Fund

Fund Focus - February 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 Management	\$349.83m
Number of Holdings	30
Turnover Ratio %	8.600
Latest Distribution Date	31 December 2022
Latest Distribution Amount	0.7544
Benchmark	S&P/ASX 300 AREIT Accumulation Index

Fund Facts

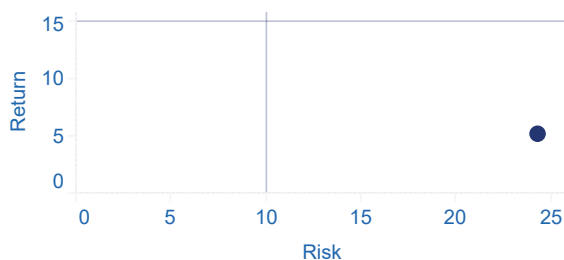
APIR Code	ZUR0064AU
Inception Date	28 February 2000
Total Est. Management Cost %	0.81
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.30
Distribution Frequency	Quarterly
Underlying Fund Manager	Renaissance Property Securities Pty Ltd

Fund Performance After Fees

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.65	2.64	2.55	2.89	6.01
Growth	-0.05	3.74	-7.18	-1.94	2.38	1.15
Total	-0.05	4.39	-4.54	0.62	5.26	7.16
Benchmark	-0.36	3.34	-6.38	1.20	6.71	6.84

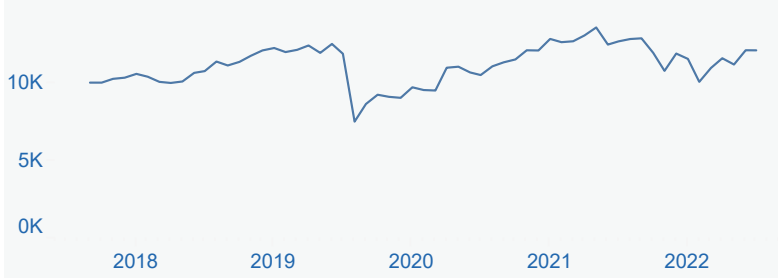
Risk Reward

1 Mar 2018 to 28 Feb 2023



Investment Growth (\$10,000)

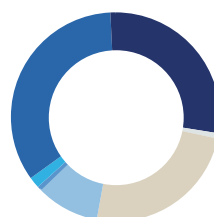
1 Mar 2018 to 28 Feb 2023



Top 10 Holdings (%)

	Weight	Benchmark
Goodman Group	22.28	25.92
Scentre Group	15.26	11.80
Stockland	7.77	6.99
Vicinity Centers	7.04	6.02
Mirvac Group	6.27	6.83
Gpt Group	6.09	6.88
Dexus	5.73	6.92
Unibail-rodamco-west	4.33	0.59
Charter Hall Group	3.55	4.80
Gdi Property Group	2.55	0.30

Portfolio Equity Sectors (%)



Diversified REITs	26.42
Health Care REITs	0.51
Hotels Resorts & Cruise Lin..	0.27
Industrial REITs	23.53
Office REITs	9.54
Real Estate Development	0.49
Residential REITs	1.64
Retail REITs	32.83
Specialized REITs	0.72

Risk Statistics

1 Mar 2018 to 28 Feb 2023

Std Dev	24.27
Alpha	-1.27
Beta	0.99
Sharpe Ratio (arith)	0.22
Up Capture Ratio	92.83
Down Capture Ratio	95.53

Top 5 Active Positions

	Portfolio Weight (%)	Benchmark	Active Position (%)
Unibail-rodamco-west	4.33	0.59	3.74
Scentre Group	15.26	11.80	3.46
Carindale Prop Trst	2.46	0.00	2.46
Gdi Property Group	2.55	0.30	2.25
Aspen Group	1.08	0.00	1.08

Market Commentary

The AREIT market fell in February by 0.36%. The Reserve Bank of Australia raised interest rates another 0.25% in February, bringing the official cash rate to 3.35%. The Australian economy showed some signs of resilience during the month with gross domestic product rising for the December quarter. Retail sales bounced in February, though consumer confidence fell. House price declines stabilised for the month, but new home loans fell.

Fund Commentary

The Fund fell marginally in February but edged ahead of the negative index return.

Overweight positions that contributed positively to performance during the month included Carindale and Unibail. Carindale delivered a solid result and has benefited from being inexpensive relative to other mall owners. Unibail performed well after the company surprised on earnings and guidance for 2023.

Underweight positions that contributed positively included Region and Charter Hall Education, as both names guided to lower earnings driven by increasing interest costs. Other underweight positions that contributed positively included Rural Funds, Cromwell Property, Charter Hall and Centuria Capital. Rural Funds contributed positively after announcing lower earnings that were driven by slower lease up on farms than the market expected. Cromwell contributed positively after earnings fell due to interest costs and announcing delays to strategy implementation due to market conditions. The fund managers, Charter Hall and Centuria Capital, both contributed positively after providing guidance that was below consensus. Both companies also experienced falling equity flows and transaction volumes.

Overweight positions that detracted from performance included Ingenia Communities and GDI Property. Ingenia detracted as management downgraded earnings on the back of weaker sales and settlements. The reason behind GDI's underperformance wasn't obvious, other than it is an office stock and got caught up in the negative sentiment for the sub-sector.

Underweights that detracted from performance included National Storage and Arena. National Storage performed well after management upgraded earnings guidance and announced solid REVPAM (group revenue per available metre) growth. Arena's stock performed well after the company delivered positive earnings growth due to strong CPI reviews over most of its portfolio.

The Fund reduced exposure to Stockland during February because of a soft residential market and after it significantly outperformed Mirvac, which announced a very soft residential result.

The overweight in Vicinity was reduced following significant outperformance, plus the investment team has become more cautious on the consumer.

The underweight in Charter Hall was increased after its strong rebound over the last couple of months. Additionally, asset values are anticipated to fall over the next 12 months which will negatively impact the business.

* 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.

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