

# Australian Property Securities Fund

Fund Focus - April 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	\$316.16m
Number of Holdings	30
Turnover Ratio %	12.22
Latest Distribution Date	31 March 2023
Latest Distribution Amount	0.8228
Benchmark	S&P/ASX 300 AREIT Accumulation Index

## Fund Facts

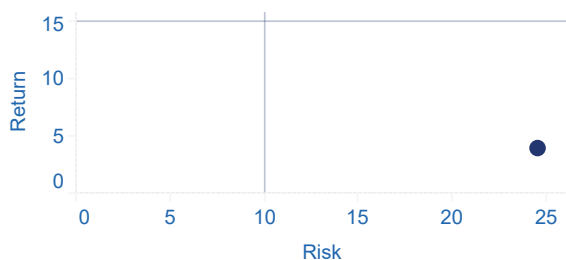
APIR Code	ZUR0064AU
Inception Date	28 February 2000
Total Est. Management Cost %	0.81
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.30
Distribution Frequency	Quarterly
Underlying Fund Manager	Renaissance Property Securities Pty Ltd

## Fund Performance After Fees

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.66	2.68	2.93	2.93	5.99
Growth	4.83	-2.92	-10.76	8.10	1.09	1.02
Total	4.83	-2.26	-8.09	11.02	4.01	7.01
Benchmark	5.16	-2.39	-10.20	11.27	5.36	6.69

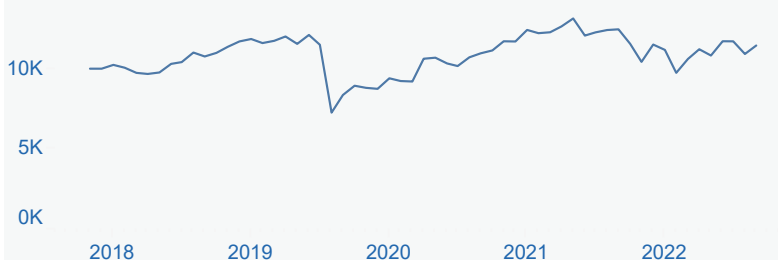
## Risk Reward

1 May 2018 to 30 Apr 2023



## Investment Growth (\$10,000)

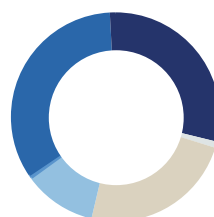
1 May 2018 to 30 Apr 2023



## Top 10 Holdings (%)

	Weight	Benchmark
Goodman Group	22.12	25.72
Scentre Group	15.10	11.63
Stockland	9.09	8.27
Vicinity Centers	7.37	6.32
Mirvac Group	6.79	7.40
Gpt Group	5.81	6.57
Dexus	5.44	6.51
Unibail-rodamco-west	3.96	0.52
Charter Hall Group	3.58	4.10
Carindale Prop Trst	2.61	0.00

## Portfolio Equity Sectors (%)



Diversified REITs	28.21
Health Care Reits	0.64
Hotels Resorts & Cruise Lin..	0.29
Industrial REITs	23.38
Multi-Family Residential Re..	1.82
Office Reits	9.27
Real Estate Development	0.53
Retail REITs	32.87
Self Storage Reits	0.82

## Risk Statistics

1 May 2018 to 30 Apr 2023

Std Dev	24.51
Alpha	-1.19
Beta	0.99
Sharpe Ratio (arith)	0.16
Up Capture Ratio	93.01
Down Capture Ratio	95.68

## Top 5 Active Positions

	Portfolio Weight (%)	Benchmark	Active Position (%)
Scentre Group	15.10	11.63	3.47
Unibail-rodamco-west	3.96	0.52	3.43
Carindale Prop Trst	2.61	0.00	2.61
Gdi Property Group	2.57	0.28	2.30
Aspen Group	1.18	0.00	1.18

## Market Commentary

The AREIT market performed strongly in April and rose by 5.16%. The Reserve Bank of Australia (RBA) paused its cash rate hikes during the month, driving expectations that interest rates may have reached their peak. The Australian economy showed relatively positive signs over the month. Retail sales rose by 0.4% and consumer confidence surged on the back of the RBA pausing rate rises. Business confidence rose despite business conditions falling. House prices rose, the first rise in several months, although housing finance fell. Headline inflation rose 1.4% in the first quarter and slowed to 7.0% year-over-year, though the March 2023 inflation number slowed to 6.3%. Lastly, employment grew strongly, and the unemployment rate held steady at 3.5%.

The main outperformers during the month were the residential developers and the fund managers. The residential developers all outperformed on improving house prices, the RBA pausing rates and slowing inflation. The outperformance of the fund managers was similarly aided by the RBA pausing rates and slowing inflation, with the expectation that this will see values stabilise and transactions increase.

The main underperformers included self-storage names, long WALE and the office stocks. The self-storage operators underperformed post very strong outperformance in previous months. For the long WALE names, these stocks benefited over the last several months from defensive buying with investors rotating into residential and funds management. Finally, office stocks continued to be plagued by poor sentiment towards the sub-sector and news that there are several imminent transactions which will show sharp devaluations.

## Fund Commentary

The Fund produced a solid return of 4.83% in April but was slightly behind the strong index return. For the 12 months to 30 April 2023, the Fund is comfortably ahead of the index return.

Overweights that contributed positively to performance included Stockland which outperformed on the back of the RBA pause and amid market expectations that house prices and volumes will increase.

Underweights that contributed positively included National Storage, Goodman and Waypoint. National Storage underperformed after strong outperformance in recent months and a large capital raise in March. Goodman underperformed as investors switched into more laggard funds management names. Waypoint underperformed following buyback-driven outperformance and as investors rotated into inexpensive, more interest rate sensitive names.

Overweight positions that contributed negatively to performance were Carindale, GDI and Aspen. All of these stocks are small companies that got left behind in the rally that was focused on residential developers and fund managers. Unibail was similarly affected. In addition, mall landlords Carindale and Unibail may be suffering from rotation away from retail exposed names. GDI also appears to be caught up in the negative sentiment for office.

Underweights that detracted from performance included Mirvac and Centuria. Mirvac outperformed on the back of the pause in rate rises by the RBA and a positive outlook for house prices and volumes. Centuria recovered from selling in previous months and also benefited from takeover rumours.

The Fund reduced exposure to National Storage and Goodman early in the month on the back of recent outperformance, with both stocks trading at relatively high valuation multiples.

\* 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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