

Australian Property Securities Fund

Fund Focus - May 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	\$302.82m
Number of Holdings	31
Turnover Ratio %	12.35
Latest Distribution Date	31 March 2023
Latest Distribution Amount	0.8228
Benchmark	S&P/ASX 300 AREIT Accumulation Index

Fund Facts

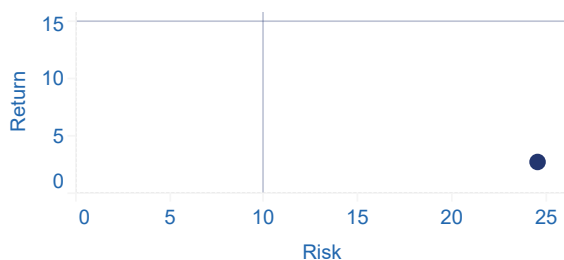
APIR Code	ZUR0064AU
Inception Date	28 February 2000
Total Est. Management Cost %	0.81
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.30
Distribution Frequency	Quarterly
Underlying Fund Manager	Renaissance Property Securities Pty Ltd

Fund Performance After Fees

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.65	2.80	2.84	2.89	5.96
Growth	-2.76	-5.56	-6.44	4.73	-0.09	0.89
Total	-2.76	-4.91	-3.63	7.57	2.80	6.85
Benchmark	-1.81	-3.81	-3.59	8.11	4.37	6.58

Risk Reward

1 Jun 2018 to 31 May 2023



Investment Growth (\$10,000)

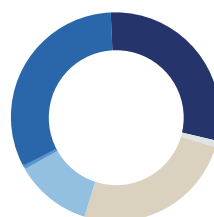
1 Jun 2018 to 31 May 2023



Top 10 Holdings (%)

	Weight	Benchmark
Goodman Group	23.13	26.62
Scentre Group	13.81	11.15
Stockland	8.58	8.06
Vicinity Centres	6.67	5.69
Mirvac Group	6.66	7.19
Dexus	6.09	7.00
Gpt Group	5.71	6.36
Charter Hall Group	3.87	4.20
Unibail-rodamco-westfield	3.79	0.46
Gdi Property Group	2.65	0.28

Portfolio Equity Sectors (%)



Diversified REITs	27.89
Health Care Reits	0.68
Hotels Resorts & Cruise Lin..	0.30
Industrial REITs	24.42
Multi-Family Residential Re..	1.69
Office REITs	10.07
Real Estate Development	0.56
Retail Reits	30.94
Self Storage Reits	0.69

Risk Statistics

1 Jun 2018 to 31 May 2023

Std Dev	24.53
Alpha	-1.42
Beta	0.99
Sharpe Ratio (arith)	0.11
Up Capture Ratio	92.79
Down Capture Ratio	96.51

Top 5 Active Positions

	Portfolio Weight (%)	Benchmark	Active Position (%)
Unibail-rodamco-westfield	3.79	0.46	3.33
Scentre Group	13.81	11.15	2.66
Carindale Property Trust	2.64	0.00	2.64
Gdi Property Group	2.65	0.28	2.37
Aspen Group	1.17	0.00	1.17

Market Commentary

The AREIT market fell in May as markets sold off in the face of the resumption of interest rate hikes by the Reserve Bank of Australia (RBA) against growing expectations that the RBA had previously reached the end of its hiking cycle. The RBA increased the cash rate by 0.25% to 3.85% at its May meeting. The Australian economy generally is showing signs of slowing, whilst inflation remains elevated. Retail sales were flat in April, driven mainly by a slowdown in household goods sales. Consumer confidence fell in May following the RBA rate hike. Employment fell in April, with the unemployment rate rising to 3.7%. Business conditions fell though business confidence improved. April inflation rose more than expected with the annual rate ticking back up to +6.8%. Finally, house prices rose for a third consecutive month in May, led by Sydney.

Fund Commentary

The Fund fell with the market in May, though was unable to outperform the index return.

The main positive contributors included the underweight in Rural Funds which underperformed because some of its commodities (Almonds and Macadamias) have encountered difficult trading conditions. Other underweight positions that contributed positively included Bunnings, Growthpoint and GPT.

Overweight positions that contributed positively included Homeco Health & Wellness and Aspen. Homeco Health & Wellness recouped some of the underperformance in the previous month following the cap raise for the Healthscope acquisition. Aspen continues to benefit from the trend towards affordable housing.

The overweights in malls stocks, Unibail, Scentre, Vicinity and Carindale, all detracted from performance as the market has become concerned about a slowdown in retail sales. In addition, several retailers announced soft trading updates in recent weeks.

Underweight positions that detracted from performance included Goodman Group and Dexu. Goodman Group outperformed after the company upgraded earnings guidance. Office stocks generally outperformed, including Dexu, as most portfolios showed resilient occupancy in their updates.

Overweight positions that were trimmed included Scentre, Stockland, Ingenia and Aspen. Scentre was decreased to reduce the Fund's mall exposure as discretionary sales begin to slow and in favour of other stocks that have become heavily discounted. Stockland was reduced given its strong performance since the end of February. Ingenia was trimmed as it has rallied and became more expensive post its earnings downgrade. Aspen was reduced as it has been a strong performer.

The underweight in Charter Hall Group was reduced as the stock has been a heavy underperformer and it is trading at a much lower multiple, albeit with some earnings risk. The underweight in Dexu was similarly reduced as the stock has underperformed due to the market's negative sentiment towards office, and the discount to net tangible assets has opened to approximately 30%.

* 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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