

Australian Property Securities Fund

Fund Focus - June 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	\$300.50m
Number of Holdings	31
Turnover Ratio %	11.18
Latest Distribution Date	30 June 2023
Latest Distribution Amount	0.0075
Benchmark	S&P/ASX 300 AREIT Accumulation Index

Fund Facts

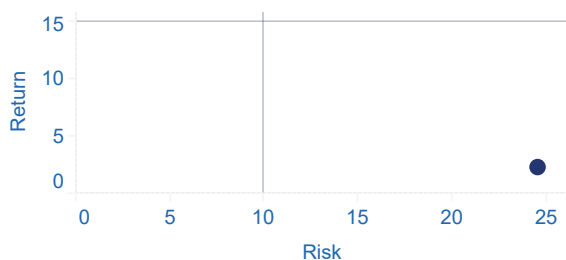
APIR Code	ZUR0064AU
Inception Date	28 February 2000
Total Est. Management Cost %	0.81
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.30
Distribution Frequency	Quarterly
Underlying Fund Manager	Renaissance Property Securities Pty Ltd

Fund Performance After Fees

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.61	0.63	2.62	2.48	2.70	5.96
Growth	-0.38	1.54	4.37	5.70	-0.35	0.87
Total	0.23	2.17	6.98	8.18	2.35	6.84
Benchmark	-0.09	3.15	7.49	8.52	3.88	6.55

Risk Reward

1 Jul 2018 to 30 Jun 2023



Investment Growth (\$10,000)

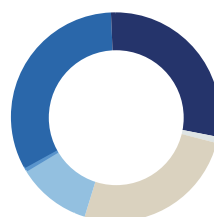
1 Jul 2018 to 30 Jun 2023



Top 10 Holdings (%)

	Weight	Benchmark
Goodman Group	23.53	27.63
Scentre Group	13.52	11.06
Stockland	8.04	7.74
Vicinity Centres	6.63	5.74
Mirvac Group	6.54	7.17
Dexus	5.81	6.75
Gpt Group	5.69	6.38
Unibail-rodamco-westfield	4.36	0.51
Charter Hall Group	3.73	4.08
Carindale Property Trust	2.57	0.00

Portfolio Equity Sectors (%)



Diversified REITs	27.04
Health Care Reits	0.61
Hotels Resorts & Cruise Lin..	0.30
Industrial Reits	24.78
Multi-Family Residential Re..	1.62
Office Reits	9.60
Real Estate Development	0.58
Retail Reits	31.13
Self Storage Reits	0.65

Risk Statistics

1 Jul 2018 to 30 Jun 2023

Std Dev	24.52
Alpha	-1.39
Beta	0.99
Sharpe Ratio (arith)	0.10
Up Capture Ratio	92.59
Down Capture Ratio	96.26

Top 5 Active Positions

	Portfolio Weight (%)	Benchmark	Active Position (%)
Unibail-rodamco-westfield	4.36	0.51	3.85
Carindale Property Trust	2.57	0.00	2.57
Scentre Group	13.52	11.06	2.45
Gdi Property Group	2.52	0.26	2.26
Aspen Group	1.09	0.00	1.09

Market Commentary

AREITs rose by 3.15% in the June quarter. The AREIT market performed strongly at the beginning of the quarter after the Reserve Bank of Australia paused its cash rate hikes in April. However, AREIT stocks declined in May as the market sold off in the face of the resumption of interest rate hikes. AREIT performance in June was marginally negative which was a relatively resilient result given 10-year bond yields rose to 4.02%.

Fund Commentary

The Fund produced a solid return of 2.17% in the June quarter but was unable to outpace the strong index return of 3.15%.

The top contributors to performance in the quarter included underweight positions in Charter Hall Long WALE, National Storage REIT, Rural Funds Group and Region Group. Charter Hall Long WALE underperformed in June after announcing a 5.8% fall in assets values. National Storage underperformed after announcing that revenue per available square meter fell in April and May. Rural Funds underperformed because some of its commodities (Almonds and Macadamias) encountered difficult trading conditions. Region underperformed post several broker downgrades that highlighted expenses were growing faster than revenue.

The top detractors from performance included overweight positions in Scentre, Carindale, Unibail, Vicinity, GDI and Aspen. The malls stocks, Scentre, Carindale, Unibail and Vicinity, all detracted from performance as the market has become concerned about a slowdown in retail sales. In addition, several retailers announced soft trading updates during the quarter. GDI is a deep value position that suffers from being exposed to office. Additionally, at the end of the quarter, it was announced that the former CEO had 8m shares called as collateral for a margin loan which put short-term selling pressure on the stock. The investment team believes that GDI is trading at a very attractive yield and discount to Net Tangible Assets. Aspen underperformed on the back of profit taking. Despite the negative share price performance at quarter end, Aspen continues to perform strongly with management providing a positive business and valuation update in June.

Underweight positions that detracted from performance included Goodman Group and Centuria Capital. The underweight in Goodman Group detracted as the stock outperformed after management upgraded earnings guidance. Goodman also benefited in the quarter from "defensive" buying and the company's announcement that it intends to move into the data centre funds management space.

At the end of the quarter the investment team continued to trim Stockland as interest rates are expected to continue to rise and stay higher for longer. The rate rises may negatively impact house prices, which are expected to stall or fall again later this year.

On the buying, exposure to GDI was increased at quarter end. The stock has been trading at a very attractive price-to-earnings ratio and is at significant discount to net tangible assets. Finally, exposure to HomeCo Health and Wellness was trimmed after it outperformed the market on the expectation of index inclusion and positive revaluations.

* 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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