

Australian Property Securities Fund

Fund Focus - August 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	\$314.25m
Number of Holdings	32
Turnover Ratio %	8.950
Latest Distribution Date	30 June 2023
Latest Distribution Amount	0.0075
Benchmark	S&P/ASX 300 AREIT Accumulation Index

Fund Facts

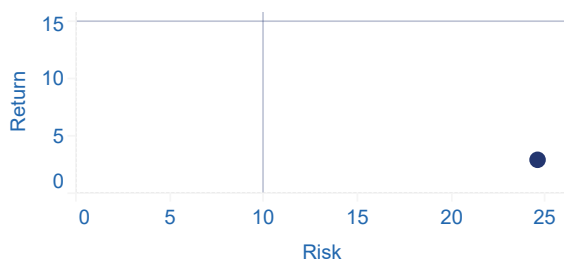
APIR Code	ZUR0064AU
Inception Date	28 February 2000
Total Est. Management Cost %	0.81
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.30
Distribution Frequency	Quarterly
Underlying Fund Manager	Renaissance Property Securities Pty Ltd

Fund Performance After Fees

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.000	0.652	2.597	2.477	2.718	5.934
Growth	2.180	5.938	3.596	5.570	0.270	1.131
Total	2.18	6.59	6.19	8.05	2.99	7.07
Benchmark	2.177	6.054	5.930	7.688	4.388	6.775

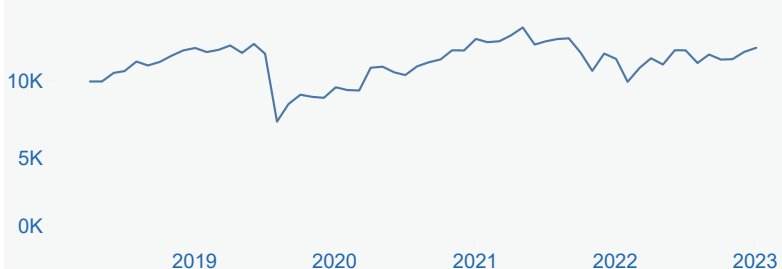
Risk Reward

1 Sep 2018 to 31 Aug 2023



Investment Growth (\$10,000)

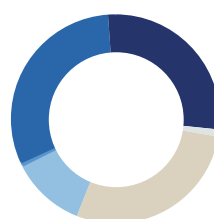
1 Sep 2018 to 31 Aug 2023



Top 10 Holdings (%)

	Weight	Benchmark
Goodman Group	26.30	30.46
Scentre Group	13.19	10.88
Stockland	8.09	7.71
Mirvac Group	6.65	7.28
Vicinity Centers	6.42	5.51
Dexus	5.49	6.35
Gpt Group	5.35	6.13
Charter Hall Group	3.91	3.91
Unibail-rodamco-west	3.77	0.52
Carindale Prop Trst	2.57	0.00

Portfolio Equity Sectors (%)



Diversified REITs	25.93
Health Care Reits	0.61
Hotels Resorts & Cruise Lin..	0.48
Industrial Reits	27.53
Multi-Family Residential Re..	1.58
Office Reits	9.70
Real Estate Development	0.53
Retail Reits	29.90
Self Storage Reits	1.10

Risk Statistics

1 Sep 2018 to 31 Aug 2023

Std Dev	24.56
Alpha	-1.26
Beta	0.99
Sharpe Ratio (arith)	0.12
Up Capture Ratio	93.11
Down Capture Ratio	96.26

Top 5 Active Positions

	Portfolio Weight (%)	Benchmark	Active Position (%)
Unibail-rodamco-west	3.77	0.52	3.26
Carindale Prop Trst	2.57	0.00	2.57
Gdi Property Group	2.57	0.24	2.33
Scentre Group	13.19	10.88	2.31
Aspen Group	1.11	0.00	1.11

Market Commentary

The AREIT market rose in August and outperformed the broader equity market. Interestingly, the main driver of the outperformance was Goodman Group, which was up strongly and contributed to almost 4.0% of the AREIT sector performance.

The Reserve Bank of Australia paused its rate hikes in August. The Australian economy continues to show resilience with retail sales and house prices rising in August, however, consumer confidence eased. July inflation eased more than expected, employment fell, and unemployment rose to 3.7%.

Fund Commentary

The Fund produced a solid return of 2.18% in August which was in line with the index return. For the 12 months to 31 August 2023, the Fund is ahead of the strong index return.

Underweight positions that contributed positively in August included the long WALE stocks, Region Group, Centuria, Growthpoint, Dexus and Cromwell. The long WALE stocks (Chater Hall Long WALE, Waypoint, and Charter Hall Education) fell after management guided to lower earnings. In addition, these stocks have elevated gearing. Convenience retailer, Region Group, fell after it guided to lower earnings. Similarly, Centuria fell after guiding to a significant fall in earnings. Office stocks, Growthpoint, Dexus and Cromwell, all contributed positively post earnings downgrades and gearing concerns for Cromwell and Growthpoint.

The underweight to Goodman Group detracted after the stocks rose following the announcement that the company will start to develop, own, and manage data centres.

Overweight positions that detracted from performance included deep value holdings - GDI Property Group, Unibail and Finbar. GDI Property Group continues to be hampered by slower leasing in Perth. Unibail was impacted by its high gearing and limited progress on asset sales. Finbar was impacted by slow apartment sales.

During August the investment team added to Charter Hall Group after significant underperformance and a rebasing of earnings. National Storage was also increased, although it remains an underweight position, as it underperformed on the back of very weak performance of US self-storage companies.

Exposure to Scentre, Vicinity and Unibail was reduced as these stocks have outperformed in recent months. The Fund remains overweight in all three names; however, the retail environment is expected to remain under pressure in the short term due to a constrained consumer. HMC Capital was also reduced as it has significantly outperformed the market.

Abacus demerged during the month 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.

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