

Investment Strategy

The Fund invests in a range of listed property securities, spread primarily across retail, commercial, industrial and residential property sectors.

Fund Facts

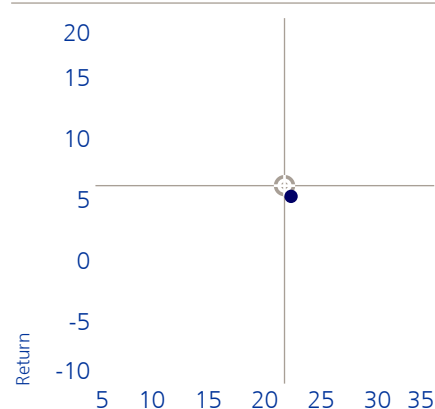
APIR Code	ZUR0064AU
Inception Date	28/02/2000
Total Est. Management Cost % [^]	0.81
Buy/Sell Spread%	0.3
Est. Transactional Op. Cost %	Nil
Distribution Frequency	Quarterly
Underlying Fund Manager	Renaissance Property Securities Pty Ltd

Portfolio Characteristics

Funds Under Management	\$306.39m
Number Of Holdings	34
Turnover Ratio%	9.105480119
Latest distribution date	30 Jun 2021
Latest distribution amount	0.0210
Benchmark	S&P/ASX 300 AREIT Accumulation Index

Risk Reward

Time Period: 30/06/2016 to 30/06/2021



Fund Performance After Fees*

As at 30/06/2021	1 Month %	3 Months %	1 Year % p.a	3 Years % p.a	5 Years % p.a	Since Inception % p.a
Growth	3.49	7.63	29.93	2.64	1.78	1.39
Distribution	1.62	1.69	2.95	3.02	3.59	6.39
Total	5.11	9.32	32.88	5.66	5.37	7.78
Benchmark	5.56	10.74	33.91	8.23	6.25	7.43

Investment Growth

30/06/2016 to 30/06/2021



Top 5 Active Positions

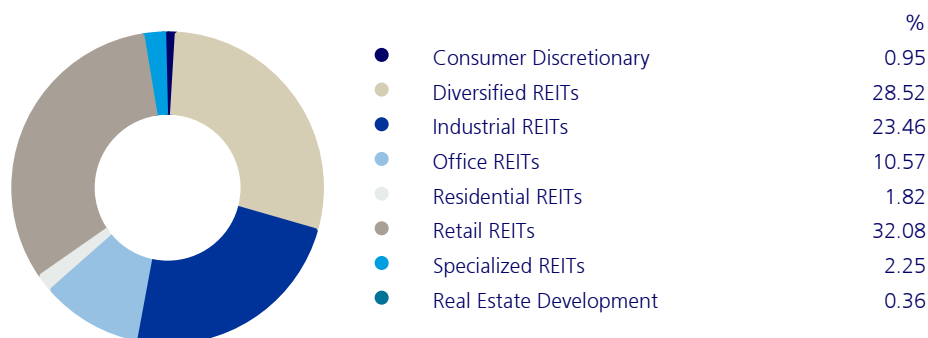
	Portfolio Weight%	Overweight%
Dexus	5.95	5.95
Scentre Group	14.06	3.85
Vicinity Centres	6.48	2.19
Unibail-Rodamco	2.82	1.96
Carindale Prop. Trst.	1.92	1.92

Risk Statistics

Time Period: 30/06/2016 to 30/06/2021

Std Dev	22.32
Alpha	-0.82
Beta	1.02
Sharpe Ratio (arith)	0.31
Up Capture Ratio	95.25
Down Capture Ratio	98.03

Portfolio Equity Sectors



Top 5 Holdings

Portfolio Date: 30/06/2021	Portfolio Weighting%	Benchmark Weighting%
Goodman Group	22.00	25.54
Scentre Group	14.06	10.21
Stockland Corp Ltd	9.86	7.98
Mirvac Group	6.90	8.25
Vicinity Centres	6.48	4.29

Market

The AREIT market surged in the June quarter, rising by 10.74%. The key driver for the performance was falling global bond yields and increasing risk aversion as the Delta strain of COVID-19 saw an acceleration in daily cases, particularly in the UK.

The Australian economy continued to power along, reflected by the slightly less dovish comments from the Governor of the Reserve Bank of Australia. Employment surged 85,000 (75,000 was full time workers) and unemployment fell back to pre-COVID-19 levels. NAB business confidence softened but business conditions surged. Consumer confidence similarly fell but is still up strongly year-over-year, the fall being driven by recent COVID-19 outbreaks and lockdowns. Australian house prices continued to rise with Sydney up 2.6% for the month of June.

Acquisition activity has been accelerating, driven by a mixture of rising values, which is helping supply, and increasing confidence in AREIT managers around the general outlook. Recent acquisitions of note include:

- National Storage REIT raised \$326m to deleverage their balance sheet ahead of further acquisitions.
- Dexus established a relationship with Australian Unity Healthcare and invested \$180m in their unlisted trust.
- Shopping Centres Australasia purchased a Newcastle asset for \$150m
- Charter Hall Retail acquired a Perth asset for \$50m
- Centuria Industrial bought three assets for \$86m
- Centuria Group acquired a suburban Melbourne office asset for \$225m
- Dexus Healthcare acquired two healthcare assets for \$130m
- Growthpoint purchased an office building in Sydney Olympic Park for \$52m

The majority of AREITs have also announced June revaluations, with significant lifts seen in some sub-sectors including Industrials and Long WALE assets. Even office saw an increase, despite worsening fundamentals, driven by transactional activity.

Fund

The Fund produced a strong return in the June quarter but was unable to keep pace with the impressive index return.

The main positive contributors in the quarter included the underweight positions in Charter Hall Long WALE, National Storage REIT and Shopping Centres Australasia. Charter Hall Long WALE and National Storage REIT underperformed following their capital raising activities while Shopping Centres Australasia underperformed on the back of softening supermarket sales.

Overweight positions that contributed positively included Vitalharvest and Elanor Investment Group, as Vitalharvest benefited from a bidding war and Elanor Investment Group delivered a special distribution in the quarter.

Overweight positions that detracted from performance included the mall stocks, Scentre, Unibail and Vicinity, as these names were negatively impacted by investors rotating out of cyclical/value names as rising COVID cases increased market risk aversion towards retail mall stocks.

Underweight positions that detracted from performance included Goodman Group, Charter Hall Group and Mirvac. Goodman Group and Charter Hall Group detracted as the market rotated back into these names reflecting risk aversion, falling bond yields and rising valuations, all of which are considered positive for the fund managers. Mirvac outperformed in the quarter due to very strong residential sales, a bottoming in the apartment market and broker upgrades.

Portfolio Positioning

At the end of the quarter, the investment team increased exposure to GDI and Scentre Group. GDI was increased as it has significantly underperformed broader office stocks, plus it is exposed to Perth, the healthiest office market in Australia. GDI is currently trading well below the investment team's target price. Scentre Group was increased because it has underperformed over the last couple of months as investors rotated back into the growth and momentum names. The market is also yet to see the recovery in retail sales across NSW and Victoria.

The investment team continued selling of Australian Unity Office as it leads the recovery in the high yield names and suburban office. The stock is also currently trading close to net tangible assets with significant short term leasing risk.

* 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 a Management Fee of 0.81%, an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0%

Past performance is not a reliable indicator of future performance.

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