

Australian Property Securities Fund

Fund Focus - June 2022



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	\$311.48m
Number of Holdings	33
Turnover Ratio %	20.04
Latest Distribution Date	30 June 2022
Latest Distribution Amount	0.0128
Benchmark	S&P/ASX 300 AREIT Accumulation Index

Fund Facts

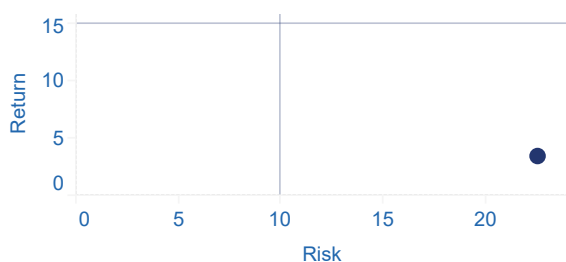
APIR Code	ZUR0064AU
Inception Date	28 February 2000
Total Est. Management Cost %	0.81
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.30
Distribution Frequency	Quarterly
Underlying Fund Manager	Renaissance Property Securities Pty Ltd

Fund Performance After Fees

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.98	0.91	1.97	2.43	2.85	6.12
Growth	-10.70	-16.88	-12.91	-5.26	0.64	0.72
Total	-9.72	-15.97	-10.94	-2.83	3.49	6.84
Benchmark	-10.39	-17.49	-11.22	-1.95	4.96	6.51

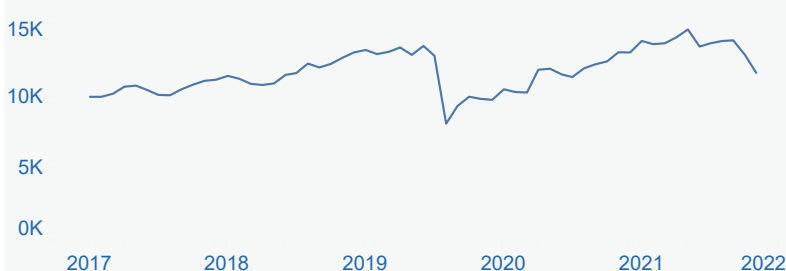
Risk Reward

1 Jul 2017 to 30 Jun 2022



Investment Growth (\$10,000)

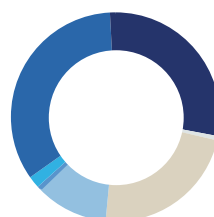
1 Jul 2017 to 30 Jun 2022



Top 10 Holdings (%)

	Weight	Benchmark
Goodman Group	20.93	25.02
Scentre Group	13.82	11.09
Stockland	9.27	7.11
Vicinity Centers	7.98	5.86
Mirvac Group	5.96	6.42
Dexus	5.62	7.88
Gpt Group	5.24	6.67
Unibail-rodamco-west	3.39	0.55
Charter Hall Group	2.94	4.23
Gdi Property Group	2.59	0.38

Portfolio Equity Sectors (%)



Diversified REITs	26.55
Health Care REITs	0.31
Hotels Resorts & Cruise Lin..	0.30
Industrial REITs	21.73
Office REITs	10.72
Real Estate Development	0.52
Residential REITs	1.76
Retail REITs	32.24
Specialized REITs	0.79

Risk Statistics

1 Jul 2017 to 30 Jun 2022

Std Dev	22.53
Alpha	-1.35
Beta	1.01
Sharpe Ratio (arith)	0.15
Up Capture Ratio	93.09
Down Capture Ratio	96.92

Top 5 Active Positions

	Portfolio Weight (%)	Benchmark	Active Position (%)
Unibail-rodamco-west	3.39	0.55	2.83
Scentre Group	13.82	11.09	2.73
Carindale Prop Trst	2.51	0.00	2.51
Gdi Property Group	2.59	0.38	2.21
Stockland	9.27	7.11	2.16

Market Commentary

The AREIT market fell heavily in the June quarter as markets were driven by accelerating fears around rising inflation, aggressive central bank tightening, surging bond yields and growing fears around a global recession.

The main AREIT news for the quarter included several stocks reporting quarterly results, M&A activity and six-monthly revaluations.

Fund Commentary

The Fund fell with the market in the quarter but was comfortably ahead of the index return by 1.52%. In the first six months of the Calendar Year, the Fund solidly outperformed the index return by 2.46%.

Positive contributors included the overweights in mall stocks, Vicinity, Carindale and Scentre, as the retail recovery has been better than expected with sales increasing higher than pre-COVID levels in non-central business district malls. In addition, mall stocks are seen as potential beneficiaries of higher inflation via their rent review mechanisms.

Overweight positions that detracted included Unibail, which continues to be impacted by concerns around Europe, general concerns around the consumer and concerns around whether the company can sell its assets and deleverage the portfolio.

Underweights that contributed positively included Charter Hall and Goodman Group. The fund managers are seen as the most exposed to rising interest rates, increasing investor concern around future earnings growth, leading to a multiple de-rate. In addition, Amazon's comments of excess capacity in its fulfillment network negatively impacted Goodman Group.

The main underweight positions that detracted were in stocks exposed to defensive, neighbourhood shopping centres such as Shopping Centres Australasia. Other defensive stocks that outperformed included Bunnings and Rural Funds Group.

The investment team continued to add to the Carindale overweight, as the stock remains extremely cheap at a significant discount to net tangible assets (NTA) despite the recovery in sales that is occurring.

GDI was increased as it remains cheap and should benefit from the Perth re-opening and stronger commodity prices.

The Unibail overweight was expanded as it represents extremely good value, and Europe is still recovering from COVID-19 affected levels. Scentre was increased because it is still trading at a heavy discount to NTA, plus the company's rental reviews are linked to the Consumer Price Index.

The underweight in National Storage REIT was increased because it remains expensive and it has benefited from strong housing market tailwinds which may now start to weaken as interest rates rise.

* 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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