



## FUND DESCRIPTION

The fund is a managed portfolio that invests predominantly in Australasian listed property, Australasian equities and international listed property with a small allocation to cash and cash equivalents and fixed interest assets. It may also invest in funds or trusts that invest in property and are intending to list. Some underlying investments are held directly and some are held via an underlying fund. Listed property includes trusts or companies that own or invest directly in commercial, office and industrial property. The fund's equity investments will predominantly be shares in listed trusts or companies with a substantial property component. These could include, for example, ports, airports, toll roads, utility networks and retirement villages.

## FUND REVIEW

The New Zealand listed property market continued to face headwinds as a slowing economy and stubbornly high inflation weighed on this sector. Meanwhile, after a stellar first quarter, the Australian property sector also faced challenges, as a surprise uptick in inflation there put rate hikes back on the table. Against this backdrop, the MFL Property Fund lost ground over the quarter.

The New Zealand listed property sector ended the quarter down 8.6% continuing its challenging run as stubbornly high inflation and elevated bond yields continue to weigh on the interest rate sensitive sector. The sector underperformed the broader NZX 50 Index, which fell 3.2%. It was a similar story in Australia, with the listed property index down 5.6%, as stronger than expected inflation increased the possibility of interest rates being raised – when markets had come to expect the next move to be a cut. Meanwhile, international property was down 1.4%.

During the quarter, economic data highlighted the ongoing challenges the New Zealand economy is facing. The unemployment rate rose to 4.3%, the highest level since mid-2021, and business and consumer sentiment surveys remained downbeat. Retail spending data suggested New Zealanders were tightening the screws as the cost-of-living crisis continued, and while Gross Domestic Product (GDP) figures showed that the economy came out of a recession, but on a per capita basis it continued to contract at a material pace. Despite these challenges, businesses and households got no relief from the Reserve Bank of New Zealand (RBNZ), as it maintained its hawkish bias.

The MFL Property Fund fell **6.82%** over the quarter. Detracting from relative performance

over the quarter were the fund's holdings in the New Zealand retirement sector, which underperformed the local listed property sector. **Ryman Healthcare, Oceania Healthcare, Arvida Group** and **Summerset Group** all saw share price declines. The retirement sector has been hampered by the 'higher for longer' interest rate message coming from the RBNZ, as well as further weakening in the residential property market. Also holding back relative performance were underweight positions to cash and New Zealand fixed interest (i.e. bonds), during a time when listed property markets fell sharply.

However, it wasn't all bad news. The fund's exposure to international listed property was beneficial as it outperformed both the New Zealand and Australian property markets. Of note were a couple of the fund's long-standing holdings in the healthcare sector, **Welltower Inc** and **Ventas Inc**. Shares in Welltower Inc were up 10% to an all-time high, and shares in Ventas Inc rose 15%. Elsewhere, the strong performance of the UK property market meant holdings in self-storage company Big **Yellow Group** and property developer **British Land Company** were also positive contributors to relative performance.

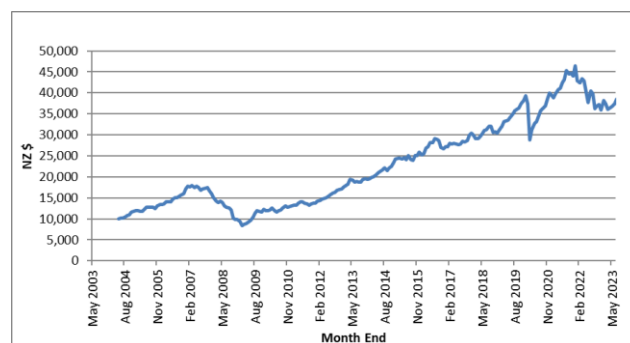
## FUND PERFORMANCE

	3mth	1 year	3 years (p.a.)*	5 years (p.a.)*	10 years (p.a.)*
At 0% PIR tax	-6.82%	0.03%	-4.19%	1.84%	5.78%
At 28% PIR tax	-7.09%	-0.79%	-4.73%	1.22%	5.09%

Performance is after annual fund charges and stated PIR. The 28% PIR return shows returns at the highest PIR at the time of the performance.

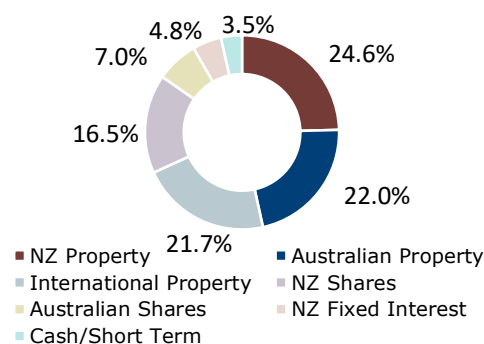
\* Performance for period longer than one year is the fund's average performance per annum.

## FUND PERFORMANCE OVER 20 YEARS



The fund became a PIE fund on 1 October 2007. Performance of the 0% PIR prior to this date has been recalculated on a before tax basis.

## CURRENT ASSET ALLOCATION





## TOP 10 HOLDINGS

The following table shows the largest underlying holdings as a percentage of the fund.

	Company	Country	Percentage
1	Goodman Group	Australia	8.47%
2	Goodman Property Trust Units	New Zealand	4.96%
3	Ryman Healthcare Ltd	New Zealand	4.64%
4	Precinct Properties New Zealand Ltd & Precinct Properties Investments Ltd	New Zealand	4.16%
5	Oceania Healthcare Ltd	New Zealand	3.90%
6	Kiwi Property Group Ltd	New Zealand	3.43%
7	Property For Industry Ltd	New Zealand	3.41%
8	Stride Property Group	New Zealand	3.02%
9	Scentre Group	Australia	2.67%
10	ANZ Wholesale High Grade	New Zealand	2.60%

Total number of holdings 291

## FUND SIZE

\$375,179,136.57 as at 30 June 2024.

## ADDITIONAL FUND DETAILS

Minimum Transaction Size	
Lump sum payments	\$500
Regular payments	\$50
Lump sum withdrawals	\$500
Regular withdrawals	\$100

Fees (year to 30 June 2023)	
Total fund charges*	0.83%

\* The total annual fund charge for the year ending 30 June 2023.

## INVESTMENT MANAGER



Francois de Cannart d'Hamale is responsible for ANZ Investments' specialist Australasian listed property mandates.

Francois joined ANZ in May 2023 and has close to 25 years' experience in the finance and property sectors.

Information is current as at the date of this document and may change on a daily basis. Past performance does not indicate future performance. The actual performance any given investor realises will depend on many things, is not guaranteed and may be negative as well as positive.

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**Investment and administration manager:** ANZ New Zealand Investments Limited