

MFL MUTUAL FUND

MARCH 2024



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

It was a challenging start to the year for investors in listed property, a result of rising government bond yields. This mainly impacted the New Zealand property sector, which delivered positive, albeit very modest returns over the quarter. In contrast the Australian property sector turned out a stellar performance, as it was up almost 17%. Against this backdrop, the MFL Property Fund returned 2.19%.

The New Zealand listed property sector returned 0.1%, struggling against the backdrop of higher bond yields. Of the ten companies that make up the property index, half delivered a positive return, with the best performing ones being NZ Rural Land Company and Property for Industry. It was a much better story in Australia, with the listed property index rising 16.8%, helped in part by a softening of inflation, which suggested interest rates there may have peaked.

Economic data during the quarter highlighted some of the challenges facing the New Zealand economy at present. Inflation showed that consumer prices rose at an annual pace of 4.7% in the fourth quarter of 2023. While it was the smallest annual rise in over two years, non-tradeable inflation (domestically generated) remained worryingly high, at 5.9%.

Perhaps the biggest news however was confirmation that the New Zealand economy entered a recession in the final quarter of 2023, contracting 0.1% over the three months ending December 2023, and marking the second consecutive quarter of negative economic growth.

Benefiting relative performance over the quarter were the fund's holdings in Australian listed property companies, given the strong performance of this sector. It included the fund's positions in Goodman Group, Scentre

Group and Charter Hall Group, which were three of the better-performing companies, which saw their share prices up 35%, 17% and 15% respectively. Meanwhile, in New Zealand, relative performance was also helped by the fund's strategic underweight positions to Goodman Property Trust Units, Argosy Property Limited and Precinct Properties New Zealand Limited.

The fund's exposure to international listed property was also beneficial, given strong performances from some of its holdings in this space. Most notable were a couple of the fund's Japanese holdings, Mitsui Fudosan Co Ltd and Mitsubishi Estate Comp. A number of its long-standing retail holdings also did well, as did its exposure to data centres, which continued to do well on the back of strong demand driven by growth in artificial intelligence (AI). Having a detrimental impact on relative performance however and offsetting the positives were overweight positions in two poor-performing retirement sector companies in New Zealand, Ryman Healthcare Limited and Oceania Healthcare Limited, with shares in each ending the quarter down 22.8% and 17.1% respectively.

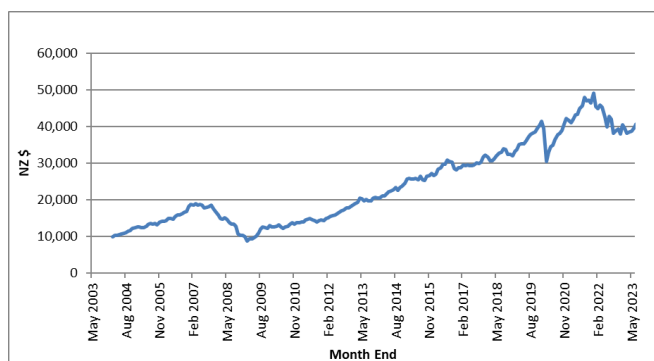
FUND PERFORMANCE

	3mth	1 year	3 years (p.a.)*	5 years (p.a.)*	10 years (p.a.)*
At 0% PIR tax	2.19%	11.11%	0.22%	3.84%	7.18%
At 28% PIR tax	2.32%	10.50%	-0.33%	3.25%	6.51%

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.

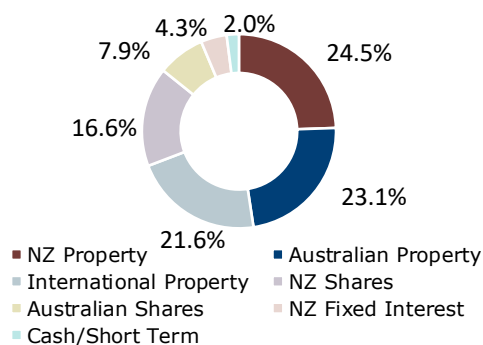
* Performance for period longer than one year is the fund's average performance per annum.

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	8.04%
2	Ryman Healthcare Ltd	New Zealand	4.92%
3	Goodman Property Trust Units	New Zealand	4.80%
4	Precinct Properties New Zealand Ltd & Precinct Properties Investments Ltd	New Zealand	4.37%
5	Oceania Healthcare Ltd	New Zealand	4.04%
6	Property For Industry Ltd	New Zealand	3.37%
7	Kiwi Property Group Ltd	New Zealand	3.01%
8	Stride Property Group	New Zealand	2.95%
9	Scentre Group	Australia	2.87%
10	Summerset Group Holdings Limited	New Zealand	2.65%

Total number of holdings 322

FUND SIZE

\$418,289,689.53 as at 31 March 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



Craig Tyson is responsible for ANZ Investments' specialist Australasian listed property mandates.

Craig has managed the MFL Mutual Fund since 2006 and has over 25 years' experience as an analyst and fund manager.

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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