

## Investment Strategy

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

## Fund Facts

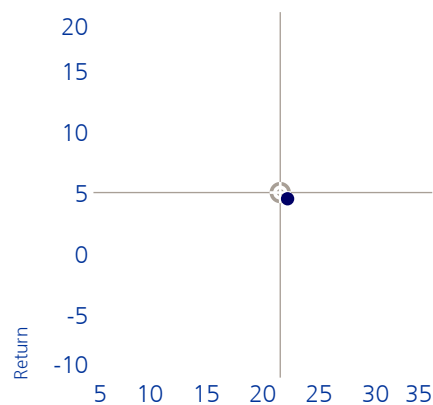
APIR Code	ZUR0064AU
Inception Date	28/02/2000
Total Est. Management Cost % <sup>^</sup>	0.81
Buy/Sell Spread%	0.3
Est. Transactional Op. Cost %	Nil
Distribution Frequency	Quarterly
Underlying Fund Manager	Renaissance Property Securities Pty Ltd

## Portfolio Characteristics

Funds Under Management	\$264.04m
Number Of Holdings	36
Turnover Ratio%	10.81
Latest distribution date	31 Dec 2020
Latest distribution amount	0.0058
Benchmark	S&P/ASX 300 AREIT Accumulation Index

## Risk Reward

Time Period: 28/02/2016 to 28/02/2021

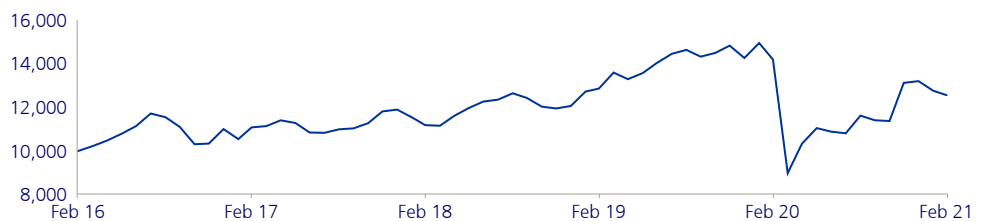


## Fund Performance After Fees\*

As at 28/02/2021	1 Month %	3 Months %	1 Year % p.a	3 Years % p.a	5 Years % p.a	Since Inception % p.a
Growth	-1.57	-4.74	-13.73	0.95	1.01	0.82
Distribution	0.00	0.45	2.21	2.99	3.67	6.37
<b>Total</b>	<b>-1.57</b>	<b>-4.29</b>	<b>-11.52</b>	<b>3.94</b>	<b>4.68</b>	<b>7.19</b>
Benchmark	-2.48	-5.89	-11.32	5.79	5.19	6.72

## Investment Growth

28/02/2016 to 28/02/2021



## Top 5 Active Positions

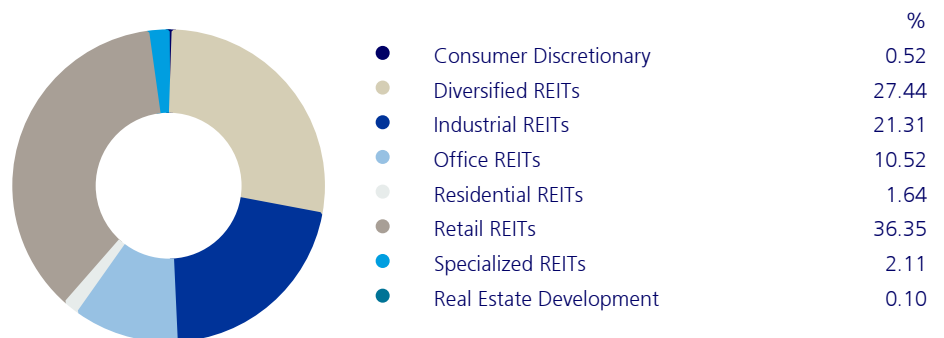
	Portfolio Weight%	Overweight%
Scentre Group	16.36	3.78
Vicinity Centres	7.78	2.44
Unibail-Rodamco	2.82	1.99
Carindale Prop. Trst.	1.99	1.99
Stockland	9.95	1.58

## Risk Statistics

Time Period: 28/02/2016 to 28/02/2021

Std Dev	22.19
Alpha	-0.46
Beta	1.03
Sharpe Ratio (arith)	0.27
Up Capture Ratio	96.44
Down Capture Ratio	98.03

## Portfolio Equity Sectors



## Top 5 Holdings

Portfolio Date: 28/02/2021

	Portfolio Weighting%	Benchmark Weighting%
Goodman Group	20.03	23.42
Scentre Group	16.36	12.58
Stockland Corp Ltd	9.95	8.37
Vicinity Centres	7.78	5.34
Dexus	6.07	8.15

## Market

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The AREIT market fell in February on rising bond yields, underperforming the broader equity market which posted a positive return for the month.

Bond yields have risen strongly as many central banks around the globe confirmed a commitment to maintaining quantitative easing (QE) and zero interest rates until inflation and unemployment start to recover. News of a COVID-19 vaccine and significant upward revisions to global domestic product (GDP) forecasts also pushed yields higher as investors continued to sell bonds on expectations of higher inflation. The Reserve Bank of Australia and the US Federal Reserve have both announced there is no concern about short-term inflation and they are prepared to further calm markets with additional QE should it be required.

The AREIT reporting season commenced in February, highlights included:

- Malls specialty sales fell 4.8%. However, sales in the last two months of the year in were up 11-12%, occupancy was only marginally lower and specialty leasing spreads fell.
- International malls were weaker reflecting the state of COVID-19 in the northern hemisphere, with sales down 37%, occupancy down 3% and rental spreads turning negative 5%.
- Office occupancy fell 0.5% and spreads turned negative. Like-for-like income growth slowed to +1.5%.
- Industrial cap rates fell while office and retail cap rates were relatively stable.
- Residential land sales and settlements were up significantly.
- Fund managers (Goodman and Charter Hall) continued to see strong growth in funds under management.

## Fund

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The Fund declined by 1.57% in February although it was ahead of the index return by 0.91%. Calendar year-to-date, the Fund is comfortably ahead of the index return.

The main positive contributors included the overweight to malls Scentre, Vicinity and Carindale which saw improving sales and benefited from cyclical rotation. The overweight to Charter Hall Retail also outperformed. Overweight positions in several high yield stocks contributed positively as these names were resilient in a weak market. The overweight to Vital Harvest outperformed post the company's second takeover bid.

Underweight positions that contributed positively included Charter Hall and Goodman, both of which were sold off on the back of cyclical rotation as investors reposition to value while global economic growth and inflation accelerate.

The main detractors from performance included overweight positions in Unibail, GDI and Stockland. Unibail detracted as management announced a poor result and guided to a delayed recovery. The overweight to GDI detracted after no leasing progress was made in its Perth office. Lastly, Stockland underperformed which was surprising given the strength of its markets.

The underweights that detracted included GPT, Arena Childcare and Shopping Centres Australasia. GPT benefited from some cyclical rotation due to its mall exposure, Arena Childcare posted a strong result and Shopping Centres Australasia's strong supermarket sales continued.

## Portfolio Positioning

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During February the investment team added to the overweight in Stockland on growing conviction in its residential business and resilience in its retail business.

\* 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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