

# Australian Property Securities Fund

Fund Focus - January 2024



## 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 Managemem..	\$334.82m
Number of Holdings	32
Turnover Ratio %	7.860
Latest Distribution Date	31 December 2023
Latest Distribution Amount	0.0480
Benchmark	S&P/ASX 300 AREIT Accumulation Index

## Fund Facts

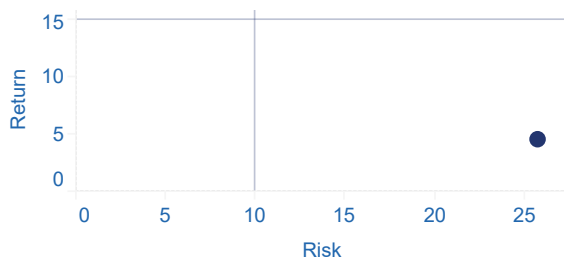
APIR Code	ZUR0064AU
Inception Date	28 February 2000
Total Est. Management Cost %	0.81
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.30
Distribution Frequency	Quarterly
Underlying Fund Manager	Renaissance Property Securities Pty Ltd

## Fund Performance After Fees

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.44	2.16	2.55	2.69	5.88
Growth	1.60	24.83	8.06	5.16	1.92	1.44
Total	1.60	25.27	10.22	7.71	4.61	7.32
Benchmark	1.21	25.07	9.48	7.79	5.42	6.98

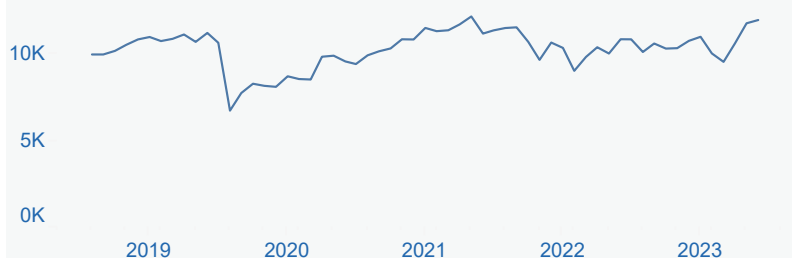
## Risk Reward

1 Feb 2019 to 31 Jan 2024



## Investment Growth (\$10,000)

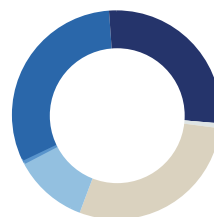
1 Feb 2019 to 31 Jan 2024



## Top 10 Holdings (%)

	Weight	Benchmark
Goodman Group	26.93	31.18
Scentre Group	13.50	11.23
Stockland	7.63	7.67
Vicinity Centers	6.31	5.59
Mirvac Group	5.53	6.03
Gpt Group	5.24	6.29
Dexus	5.23	5.91
Charter Hall Group	4.66	4.03
Unibail-rodamco-west	3.89	0.55
Gdi Property Group	2.77	0.25

## Portfolio Equity Sectors (%)



Diversified REITs	25.61
Health Care Reits	0.28
Hotels Resorts & Cruise Lin..	0.45
Industrial Reits	27.89
Multi-Family Residential Re..	1.58
Office Reits	9.77
Real Estate Development	0.56
Retail Reits	30.12
Self Storage Reits	1.09

## Risk Statistics

1 Feb 2019 to 31 Jan 2024

Std Dev	25.71
Alpha	-0.68
Beta	0.99
Sharpe Ratio (arith)	0.18
Up Capture Ratio	94.51
Down Capture Ratio	95.42

## Top 5 Active Positions

	Portfolio Weight (%)	Benchmark	Active Position (%)
Unibail-rodamco-west	3.89	0.55	3.35
Gdi Property Group	2.77	0.25	2.52
Carindale Prop Trst	2.45	0.00	2.45
Scentre Group	13.50	11.23	2.27
Aspen Group	1.10	0.00	1.10

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## Market Commentary

The AREIT market rose by 1.21% in January. The Australian economy showed greater signs of slowing during the month as December retail sales fell, quarterly CPI slowed, employment contracted, and consumer confidence dipped. On the other hand, business confidence rose though business conditions fell. House prices rose again in January, albeit at a slowing rate.

During the month the market witnessed the emergence of some M&A activity which included:

- Bunnings bid \$1.39 for Newmark, a 43% premium to last and a 17% discount to NTA.
- Aspen bid for Eureka at market circa \$0.45.

Outperformers in January included convenience retail, residential development and office. Convenience retail (HomeCo and Charter Hall Retail) outperformed on their defensive characteristics in a slowing economy. Residential developers (Mirvac and Stockland) outperformed on the weaker CPI and expectations around a falling cash rate being very positive for the housing sector. Office names, Growthpoint and Dexu, outperformed potentially supported by the outlook for bond yields.

Underperformers included the long WALE names (Arena and Charter Hall Long WALE), Bunnings and the fund managers (Centuria, Charter Hall and HMC Capital). The long WALE names underperformed after very strong run up in December as did the fund managers.

## Fund Commentary

The Fund produced a solid return in January of 1.60% and was ahead of the index return.

The main positive contributors included overweight positions in Newmark (and underweight in Bunnings), Carindale, Unibail and Scentre. Newmark surged following the bid from Bunnings while the bid from Bunnings saw the typical market behaviour of sell the bidder and buy the target. Carindale, Unibail and Scentre benefited from an improving outlook for the cash rate and bond yields, which helps the consumer and eases the pressure on balance sheets.

Overweight positions that detracted from performance Elanor and Abacus Group. Elanor fell in sympathy with the other fund managers, and it was also impacted by the earnings downgrade in December. The overweight in Abacus underperformed as the stock price retreated following its spinoff of the Abacus Storage King business as well as its down weighting in the index.

During the month the investment team reduced the Fund's holdings in Scentre, Vicinity and Unibail based on a soft outlook for retail sales. Exposure to HomeCo Health and Wellness was increased following significant underperformance in recent months.

\* 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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