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 %: 0.81
- Buy/Sell Spread %: 0.3
- Distribution Frequency: Quarterly
- Underlying Fund Manager: Renaissance Property Securities Pty Ltd

Portfolio Characteristics

- Funds Under Management: $305.06m
- Number Of Holdings: 33
- Turnover Ratio: 10.71%
- Latest distribution date: 30 Jun 2021
- Latest distribution amount: 0.0210
- Benchmark: S&P/ASX 300 AREIT Accumulation Index

Risk Reward

Time Period: 31/07/2016 to 31/07/2021

| Return | 20 | 15 | 10 | 5 | 0 | -5 | -10 |

Top 5 Active Positions

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Weight</th>
<th>Overweight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scentre Group</td>
<td>13.48</td>
<td>3.85</td>
</tr>
<tr>
<td>Vicinity Centres</td>
<td>6.64</td>
<td>2.35</td>
</tr>
<tr>
<td>Stockland</td>
<td>9.62</td>
<td>2.12</td>
</tr>
<tr>
<td>Unibail-Rodamco</td>
<td>2.90</td>
<td>2.02</td>
</tr>
<tr>
<td>Carindale Prop. Trst.</td>
<td>1.96</td>
<td>1.96</td>
</tr>
</tbody>
</table>

Risk Statistics

Time Period: 31/07/2016 to 31/07/2021

- Std Dev: 22.22
- Alpha: -0.88
- Beta: 1.02
- Sharpe Ratio (arith): 0.26
- Up Capture Ratio: 94.76
- Down Capture Ratio: 98.03

Fund Performance After Fees*

As at 31/07/2021

<table>
<thead>
<tr>
<th>1 Month</th>
<th>3 Months</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>-0.10</td>
<td>5.08</td>
<td>30.72</td>
<td>2.35</td>
<td>0.73</td>
</tr>
<tr>
<td>Distribution</td>
<td>0.00</td>
<td>1.65</td>
<td>2.97</td>
<td>3.01</td>
<td>3.55</td>
</tr>
<tr>
<td>Total</td>
<td>-0.10</td>
<td>6.73</td>
<td>33.69</td>
<td>5.36</td>
<td>4.28</td>
</tr>
<tr>
<td>Benchmark</td>
<td>0.47</td>
<td>7.94</td>
<td>33.70</td>
<td>8.05</td>
<td>5.24</td>
</tr>
</tbody>
</table>

Investment Growth

31/07/2016 to 31/07/2021

Portfolio Equity Sectors

- Consumer Discretionary: 0.95%
- Diversified REITs: 28.62%
- Industrial REITs: 25.01%
- Office REITs: 10.45%
- Residential REITs: 1.73%
- Retail REITs: 31.72%
- Specialized REITs: 1.17%
- Real Estate Development: 0.36%

Top 5 Holdings

Portfolio Date: 31/07/2021

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Weighting %</th>
<th>Benchmark Weighting %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodman Group</td>
<td>23.36</td>
<td>27.17</td>
</tr>
<tr>
<td>Scentre Group</td>
<td>13.48</td>
<td>9.63</td>
</tr>
<tr>
<td>Stockland Corp Ltd</td>
<td>9.62</td>
<td>7.50</td>
</tr>
<tr>
<td>Mirvac Group</td>
<td>6.79</td>
<td>8.04</td>
</tr>
<tr>
<td>Vicinity Centres</td>
<td>6.64</td>
<td>4.29</td>
</tr>
</tbody>
</table>
Market

The AREIT market was marginally in positive territory in July, rising by 0.3%. The main driver of performance for the AREIT market for the month was rapidly growing global COVID-19 cases, lockdowns in Australia and economic growth concerns driven by ongoing COVID-19 cases and falling bond yields.

Australian economic data continues to be robust although recent data does not reflect the full impact of the East Coast lockdowns. Dwelling values grew in July driven again by Sydney and Brisbane, but building approvals fell for the month, albeit they are still up 53% for the year. Employment grew 29,000 and unemployment fell to 4.9%.

The main AREIT news for the month was the impact of growing daily COVID-19 cases and the ensuing lockdowns. Due to COVID-19 uncertainty, GPT decided to withdraw its guidance for 2021 and this is likely to be similar for a number of other AREITs. The other news was predominantly revaluations and capital transactions.

Fund

The Fund declined slightly in July, falling by 0.10%.

The main positive contributors were the underweights to Dexus, GPT and Shopping Centres Australasia. All of these stocks underperformed in July due to their office and/or retail exposures as the market was concerned about the impact of lockdowns in the short term. The underweight to Bunnings also benefited after it continues to derate given its huge premiums to net tangible assets (NTA).

Overweight positions that contributed positively included Aspen and Unibail. Aspen continues to rerate as it moves along the path of a new business model focused on affordable living and development profits. Unibail outperformed after having stabilised post a period of underperformance after COVID-19 cases surged in the northern hemisphere.

Negative contributors included the overweight positions in retail names including Scentre, Carindale and to a lesser extent, Stockland, as the market became concerned around short term income from lockdowns.

Underweight positions that contributed negatively included the fund managers, Goodman and Charter Hall, which the market believes benefit from falling bonds and therefore cap rates. The underweight in National Storage also contributed negatively after it recovered from underperformance in the previous month post their capital raise. Lastly, the underweight in Charter Hall Long WALE detracted after it raised full year earnings guidance.

Portfolio Positioning

During the month the investment team increased the Fund’s overweight positions in GDI and Stockland and reduced the underweight position in GPT. GDI was increased as it trades at a 10% discount to NTA plus it is heavily exposed to the Perth office market, the healthiest office market in Australia. Stockland and GPT were increased after both names underperformed after the East Coast lockdowns.

The undweights in Goodman, Charter Hall Group, Dexus and Mirvac were widened after recent outperformance. Goodman and Charter Hall Group continue to become more expensive due to their funds management business models. Dexus and Mirvac were reduced as the investment team believes the market is not correctly valuing the outlook for office exposures.

The overweight in Aventus, Centuria Office and Charter Hall Retail were reduced after recent outperformance. Aventus now trades at a significant premium to NTA and is not reflecting any impact from the current lockdowns. Centuria Office and Charter Hall Retail were reduced after they have recently recovered to NTA and offer relatively low growth prospects.

* 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.

This report is issued by Zurich Investment Management Limited ABN: 56 063 278 400, AFSL: 232511, GIIN: FVHHKJ.00012.ME.036. The information in the report has been derived from sources reasonably believed to be reliable and accurate and is to be used for research purposes only. Subject to law, none of the companies of the Zurich Financial Services Australia Limited Group, nor their directors or employees, gives any representation or warranty as to the reliability, accuracy or completeness of the information, nor accepts any responsibility arising in any way (including by reason of negligence) from errors in or omissions from, the information provided. A Product Disclosure Statement (PDS) for the Fund is available and can be obtained by calling Zurich Investments on 131 551. The PDS should be considered in deciding whether to acquire, or to continue to hold, an investment in the fund. This information is of a general nature only and does not take into account the investment objectives, financial situation or particular needs of any investor and should not be taken as a securities or stock recommendation. These factors should be considered before any investment decision is made in relation to the fund.

© 2020 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or ‘class service’ have been prepared by Morningstar Australasia Pty Ltd ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to our Financial Services Guide (FSG) for more information at www.morningstar.com.au/fsfsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product’s future performance. To obtain advice tailored to your situation, contact a professional financial adviser.