

Australian Property Securities Fund

Fund Focus - June 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..	\$349.61m
Number of Holdings	32
Turnover Ratio %	6.940
Latest Distribution Date	30 June 2024
Latest Distribution Amount	0.0261
Benchmark	S&P/ASX 300 AREIT Accumulation Index

Fund Facts

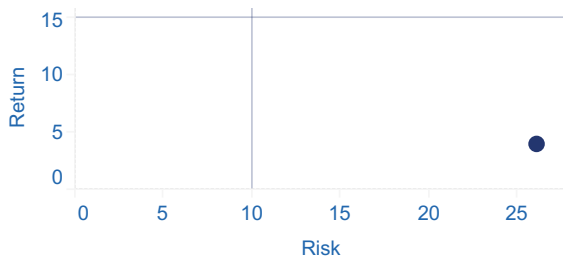
APIR Code	ZUR0064AU
Inception Date	28 February 2000
Total Est. Management Cost %	0.81
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.30
Distribution Frequency	Quarterly
Underlying Fund Manager	Renaissance Property Securities Pty Ltd

Fund Performance After Fees

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	1.74	1.65	3.29	2.58	2.62	5.88
Growth	-2.05	-7.09	20.79	3.16	1.40	1.62
Total	-0.32	-5.44	24.08	5.74	4.02	7.50
Benchmark	0.23	-5.66	23.79	5.71	4.63	7.21

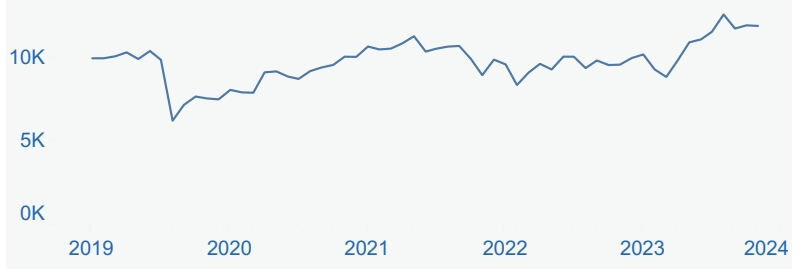
Risk Reward

1 Jul 2019 to 30 Jun 2024



Investment Growth (\$10,000)

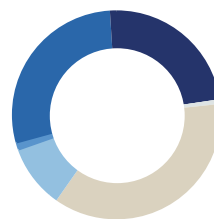
1 Jul 2019 to 30 Jun 2024



Top 10 Holdings (%)

	Weight	Benchmark
Goodman Group	34.58	39.81
Scentre Group	12.60	10.74
Stockland	6.59	6.60
Vicinity Centers	5.34	4.75
Mirvac Group	4.48	4.89
Dexus	4.36	4.62
Charter Hall Group	4.18	3.51
Gpt Group	4.06	5.08
Unibail-rodamco-west	4.01	0.45
Carindale Prop Trst	2.45	0.00

Portfolio Equity Sectors (%)



Diversified REITs	22.01
Health Care Reits	0.25
Hotels Resorts & Cruise Lin..	0.47
Industrial Reits	35.50
Multi-Family Residential Re..	1.38
Office Reits	8.25
Real Estate Development	1.09
Retail Reits	27.55
Self Storage Reits	0.95

Risk Statistics

1 Jul 2019 to 30 Jun 2024

Std Dev	26.07
Alpha	-0.49
Beta	0.99
Sharpe Ratio (arith)	0.15
Up Capture Ratio	94.53
Down Capture Ratio	94.95

Top 5 Active Positions

	Portfolio Weight (%)	Benchmark	Active Position (%)
Unibail-rodamco-west	4.01	0.45	3.56
Carindale Prop Trst	2.45	0.00	2.45
Gdi Property Group	2.44	0.20	2.24
Scentre Group	12.60	10.74	1.86
Aspen Group	1.27	0.00	1.27

Market Commentary

The AREIT market fell in the June quarter, notably in April, following stronger than expected inflation data and a significant softening in rate cut expectations. The Reserve Bank of Australia held the cash rate steady in the June quarter although several economists are now predicting a rate rise in August.

Several AREIT transactions were completed at the end of the quarter which included:

- Mirvac sold - 367 Collins St in Melbourne on a 6.5% cap and 40 Miller St on a 7.1%;
- Mirvac sold - Coolemon Court on a 6.7% cap;
- Dexus sold - 5 Martin Place in Sydney on a 6.0% cap;
- Centuria - sold 555 Coronation Dr on a 7.5% cap;
- Charter Hall Long WALE - sold \$650m of assets at a 6.1% passing yield vs a portfolio cap rate of 5.1%.

Fund Commentary

The Fund fell with the market in the June quarter although it edged ahead of negative index return. For the 12 months to 30 June 2024, the Fund is also ahead of the impressive index return.

The top contributors in the June quarter included overweight positions in Aspen, Carindale, Finbar and Unibail. Aspen and Carindale were relatively steady in April's falling market, recouping their negative attribution when the market surged in the first quarter. Finbar performed very strongly due to underlying strength in the WA residential market. The company is also heading into a period of very high settlements which is beneficial to profits. The overweight to Unibail contributed positively with the stock outperforming in the quarter after the company released a solid quarterly result.

Underweight positions that contributed positively included the long WALE stocks, Charter Hall Long WALE and Waypoint, as these names underperformed following the threat of higher interest rates.

The main detractors from performance included underweight positions in Goodman and National Storage REIT. Goodman detracted as the share price continues to benefit from the Data centre thematic. The stock also outperformed after the company upgraded earnings guidance in May. National Storage detracted following the announcement that the company had formed a development joint venture with GIC.

The overweight in Charter Hall Group detracted as the share price was impacted over the quarter by negative sentiment towards office devaluations. The stock also underperformed following concerns around rising interest rates and the impact on transaction volumes and values.

At quarter end, the underweight to Dexus was reduced as the stock continues to underperform on the back of weakness in the office market and trades at an attractive PE of 10x. The buying of Dexus was funded by reducing Centuria Office, which is predominantly a suburban office owner and therefore more susceptible to the downturn in office.

The Fund initiated a position in Cedar Woods, a pure residential developer which is heavily exposed to the strongest states of WA, QLD and SA.

The Fund sold out of Bunnings which was inherited through the takeover of Newmark. The investment team view the stock as expensive at 20x, plus it has 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 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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