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: $298.95m
- Number Of Holdings: 30
- Turnover Ratio %: 14.12
- Latest distribution date: 30 Sep 2019
- Latest distribution amount: 0.0065
- Benchmark: S&P/ASX 300 AREIT Accumulation Index

Fund Performance After Fees*
As at 30/11/2019
- 1 Month: 2.30%
- 3 Months: 0.86%
- 1 Year: 19.86%
- 3 Years: 8.42%
- 5 Years: 8.15%
- Since Inception: 1.89%

Risk Reward
Time Period: 30/11/2014 to 30/11/2019

Top 5 Active Positions
Portfolio Date: 30/11/2019
- Scentre Group: 18.06% (15.34%)
- Goodman Group: 15.42% (17.37%)
- Stockland Corp Ltd: 10.00% (8.99%)
- Mirvac Group: 7.99% (6.30%)
- Vicinity Centres: 7.78% (9.76%)

Portfolio Equity Sectors
- Consumer Discretionary: 0.48%
- Diversified REITs: 30.23%
- Industrial REITs: 17.40%
- Hotel & Resort REITs: 0.02%
- Office REITs: 11.94%
- Residential REITs: 1.11%
- Retail REITs: 38.48%
- Specialized REITs: 0.34%

Risk Statistics
Time Period: 30/11/2014 to 30/11/2019
- Std Dev: 10.52
- Alpha: 0.36
- Beta: 0.91
- Sharpe Ratio (arith): 1.01
- Up Capture Ratio: 92.04
- Down Capture Ratio: 88.61

Top 5 Holdings
Portfolio Date: 30/11/2019
- Scentre Group: 18.06%
- Goodman Group: 15.42%
- Stockland Corp Ltd: 10.00%
- Mirvac Group: 7.99%
- Vicinity Centres: 7.78%
Zurich Investments
Australian Property Securities Fund
Fund Focus - November 2019

Market

The AREIT market rose in November, slightly underperforming the broader equity market which rallied on improved optimism towards a trade deal between the US and China. Economic data was mixed in Australia. House prices climbed in November, led by Sydney and Melbourne, September retail sales disappointed, the unemployment rate increased slightly, private sector credit grew and consumer confidence rebounded.

Fund

The main positive contributors to performance included the underweights to Cromwell and Charter Hall Social Infrastructure (previously Charter Hall Education). Cromwell fell heavily after it became apparent (after months of speculation) that a takeover deal would not happen. Also of note, Cromwell’s biggest shareholder, ARA Real Estate, nominated Gary Weiss to be appointed to the Cromwell board, something Cromwell is trying to block. Charter Hall Social Infrastructure underperformed after having outperformed for a number of years and with the stock price now being impacted by the growth/value rotation. The overweight that outperformed were Unibail and Centuria Metro. Unibail’s stock price benefited from the growth/value rotation while Centuria Metro rose due to index related buying.

The main detractors from performance included the overweights to cash and Australian Unity Office and the underweight to Mirvac. The overweight to Australian Unity underperformed after the takeover proposal from Charter Hall and Abacus was rejected. The underweight to Mirvac detracted as the stock outperformed due to continuing strong house price growth.

Portfolio Transactions

During the month the investment team reduced holdings in Centuria Metro, Aveo Group and Aspen. Centuria Metro was reduced after significant outperformance saw the stock move to a large premium to net tangible assets (NTA). The takeover offer for Aveo was approved and the Fund will receive cash for that position. Finally, Aspen was reduced as the outperformance over the last few months has moved its share price close to its net asset value (NAV).

The Fund participated in a new IPO for Elanor Commercial fund. The stock offers an attractive distribution yield and slight premium to NTA. Both metrics are significantly more attractive than similarly listed vehicles and fits into the Fund’s high yield defensive strategy. The investment team also participated in the APN Industria placement.