



FUND DESCRIPTION

The MFL Mutual Fund invests predominantly in Australasian listed property, Australasian equities and international listed property. It may also invest in cash and cash equivalents, fixed interest assets and companies, funds or trusts that invest in property and are intending to list.

Listed property includes trusts or companies that own or invest directly in commercial, office and industrial property. The fund's equity investments will predominantly be shares in listed trusts or companies with a substantial property component. These could include, for example, ports, airports toll roads, utility networks and retirement villages.

FUND REVIEW

Over the quarter the fund returned 3.1% (after fees, but before tax), and is up 12.8% over one year.

The New Zealand property market rose 5.9%, supported by a renewed interest in higher-yielding property stocks as local interest rates look set to remain lower for longer. Australian property delivered more muted returns, up 1.9%, while global property fell, hampered by the prospect of higher interest rates in overseas markets.

This quarter the fund benefited from the exceptional performance of the New Zealand property market. As well as listed property companies, the fund invests in New Zealand and Australian companies that have a large property component to them. Its holding in Ryman Healthcare, an owner and operator of retirement villages, was among the better performers this quarter, as it continues to benefit from a solid growth outlook driven by long-term demographic trends.

Another good performer was Precinct Properties, the fund's largest holding. Its shares rose following a strong profit result and news that it had pre-leased almost 80% of its Commercial Bay development in Auckland. It also announced an adjacent \$300m hotel and office redevelopment.

Following New Zealand's strong run, we are exercising a bit more caution in anticipation of more moderate returns going forward. We have reduced the fund's exposure to New Zealand, scaling back our bigger positions and increasing our cash holdings. That said, overall, we are encouraged that the sector is in good

financial shape, with low vacancy rates and high levels of pre-commitment for new developments. This should bode well for rental growth and profitability going forward.

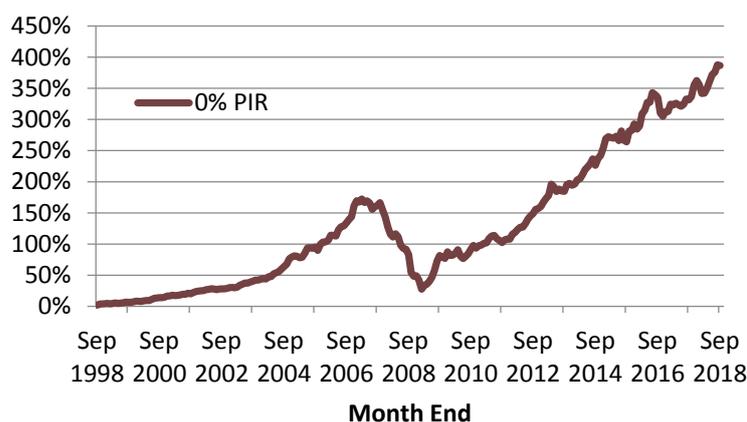
FUND PERFORMANCE

	3 mth	1 year	3 Years (p.a.)*	5 Years (p.a.)*	10 Years (p.a.)*
At 0% PIR Tax	3.10%	12.76%	10.15%	11.31%	10.25%
At 28% PIR Tax	2.95%	12.25%	9.09%	10.56%	9.50%

Performance is after fund fees and stated PIR. The 28% PIR return shows returns at the highest PIR at the time of the performance.

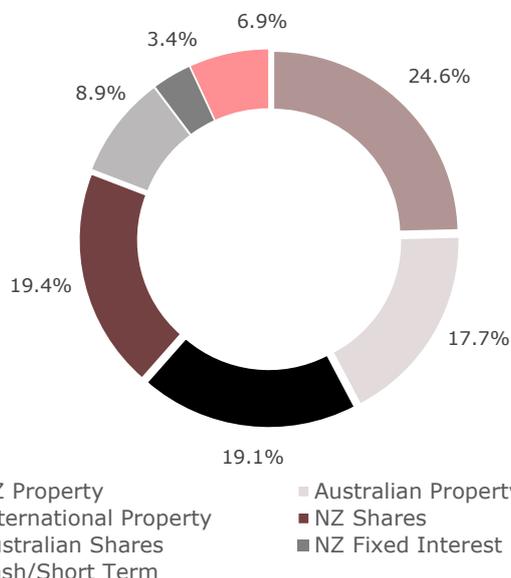
* Performance for periods longer than one year is per annum.

FUND PERFORMANCE OVER 20 YEARS



The fund became a PIE fund on 1 October 2007. Performance of the 0% PIR prior to this date has been recalculated on a before tax basis.

CURRENT ASSET ALLOCATION



TOP 10 HOLDINGS

The following table shows the largest underlying holdings as a percentage of the Fund.

	Company	Country	Percentage
1	Metlifecare Limited	New Zealand	8.34%
2	Ryman Healthcare Ltd	New Zealand	6.81%
3	Kiwi Property Group	New Zealand	5.95%
4	Precinct Property NZ	New Zealand	5.03%
5	Scentre Group	Australia	3.55%
6	Stride Stapled Group	New Zealand	3.05%
7	Property For Industry	New Zealand	2.78%
8	Cash	-	2.53%
9	Dexus Property Trust	Australia	2.43%
10	Goodman Property Tst	New Zealand	2.27%

Total number of holdings 303

FUND SIZE

\$493,889,748 as at 30 September 2018.

ADDITIONAL FUND DETAILS

Minimum transaction size

Lump sum payments	\$500
Regular payments	\$50
Lump sum withdrawals	\$500
Regular withdrawals	\$100

Fees

Total fund charge* 0.88%

* The total fund fee for the year ending 30 June 2018.

INVESTMENT MANAGER



Craig Tyson is responsible for ANZ Investments' specialist Australasian listed property and infrastructure mandates.

Craig has managed the MFL Mutual Fund since 2006 and has over 20 years' experience as an analyst and fund manager.

Information is current as at the date of this document and may change on a daily basis. Past performance does not indicate future performance. The actual performance any given investor realises will depend on many things, is not guaranteed and may be negative as well as positive.

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