



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

It was a good final quarter for investors in the MFL Mutual Fund, which rose 5.88% over the three-month period. The impressive return came even as the broader property sector struggled as interest rates across the globe finished higher, making defensive, and cash-flow type assets less attractive.

In New Zealand, the listed property sector finished the quarter down 0.4%, with six of the 11 stocks that make up the sector ending the quarter lower. Despite this, the sector still returned a stellar 32.4% over the year.

The fund's exposure to the New Zealand retirement village sector was of particular benefit with Metlifecare a standout, rising more than 50% over the final quarter thanks to the news the company received a nonbinding takeover bid from European private equity firm EQT in November. After initially turning down a \$6.50 share offer, the company's board agreed to implement a scheme of arrangement at \$7 per share.

Ryman Healthcare was another strong performer for the fund, with the company ending the quarter up nearly 25%. Aiding performance was the news that the company had upped its profit forecast. Furthermore, the company saw gains as investors sought to secure exposure to the sector on an improving housing market and the Metlifecare announcement.

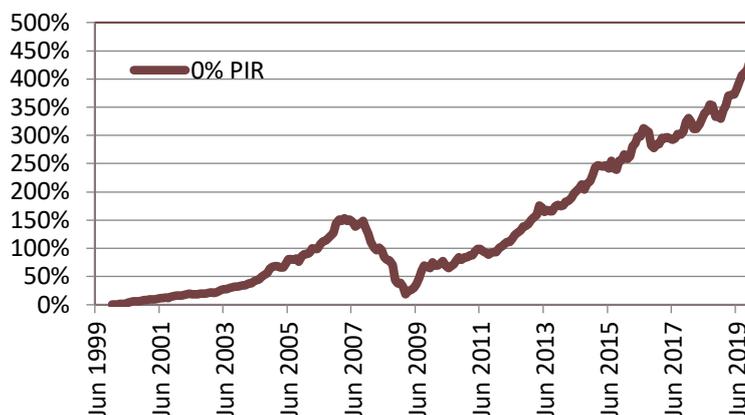
FUND PERFORMANCE

	3mth	1 year	3 years (p.a.)*	5 years (p.a.)*	10 years (p.a.)*
At 0% PIR tax	5.88%	25.77%	12.08%	10.42%	11.97%
At 28% PIR tax	5.21%	24.65%	11.20%	9.60%	11.17%

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

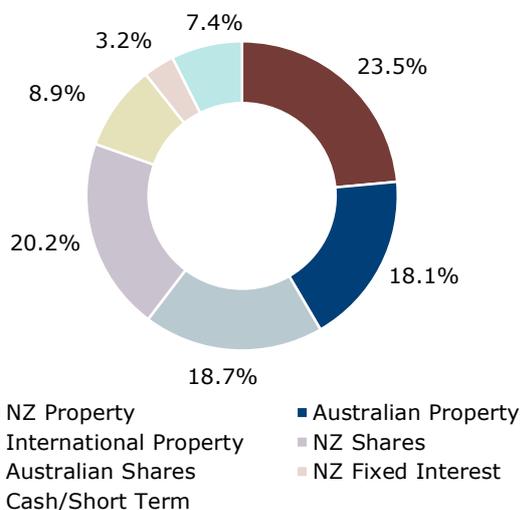
* Performance for periods longer than one year is per annum.

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	8.21%
2	Cash	New Zealand	7.38%
3	Ryman Healthcare LTD	New Zealand	5.52%
4	Precinct Property NZ	New Zealand	4.72%
5	Kiwi Property Group	New Zealand	4.54%
6	Property for Industry	New Zealand	3.02%
7	Stride Property Group	New Zealand	2.93%
8	Goodman Group	Australia	2.92%
9	Goodman Property Trust	New Zealand	2.89%
10	Dexus Property Group	Australia	2.89%

Total number of holdings 302

FUND SIZE

\$548,742,543 as at 31 December 2019.

ADDITIONAL FUND DETAILS

Minimum transaction size	
Lump sum payments	\$500
Regular payments	\$50
Lump sum withdrawals	\$500
Regular withdrawals	\$100

Fees	
Total fund charge*	0.89%

*The total fund fee for the year ending 30 June 2019.

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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Investment and administration manager: ANZ New Zealand Investments Limited