



FUND DESCRIPTION

The fund is a managed portfolio that invests predominantly in Australasian listed property, Australasian equities and international listed property with a small allocation to cash and cash equivalents and fixed interest assets. It may also invest in funds or trusts that invest in property and are intending to list. Some underlying investments are held directly and some are held via an underlying fund.

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

After a tough start to the year, the MFL Fund continued its impressive recovery, recording a 9.30% return over the September quarter, comfortably beating the benchmark and back into positive territory over 1 year.

The fund has a significant weighting to the New Zealand property sector, which was one of the best performing sectors over the September quarter. The local property index gained 13.4%, comfortably beating the broader NZX 50 and ahead of most global property benchmarks.

Of particular benefit was the fund's holding of Goodman Group. Shares in the company gained more than 20% over the quarter after reporting better-than-expected earnings for FY20. The company reported a 13% increase in operating earnings and an 11% increase in its earnings per share. In addition, it offered up strong guidance for FY21, expecting a 10% increase in operating profit.

Another strong performer for the fund was Stride Property up nearly 21% for the quarter. Stride continues to successfully grow its funds management platform with further acquisitions for its listed retail fund Investore and unlisted industrial fund, Industrie.

The fund has a material exposure to the retirement sector, which benefited from a buoyant domestic housing market with house prices rising across the country. Of particular note was Summerset Group and Oceania Healthcare Limited, which were two of the three best-performing stocks in the NZX 50 over the quarter.

A slight detractor on performance was the fund's cash holding. As equity markets sharply rose, cash underperformed.

Our focus remains on investing for the long-term in quality companies with strong management and balance sheets, which should be able to survive market volatility. This investment thesis has been of particular benefit this year, with the fund now back in positive territory for the year, which is well above the benchmark.

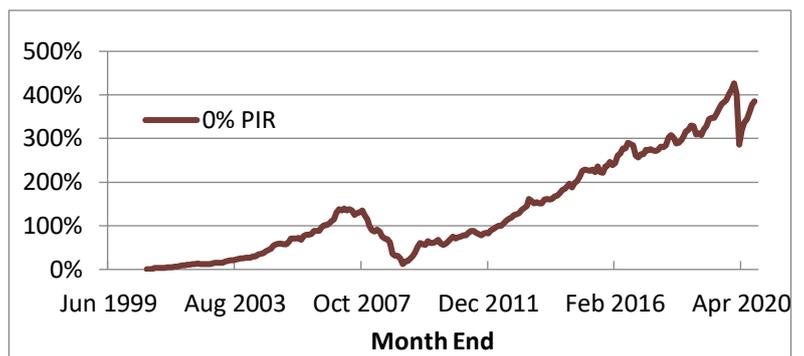
FUND PERFORMANCE

	3mth	1 year	3 years (p.a.)*	5 years (p.a.)*	10 years (p.a.)*
At 0% PIR tax	9.30%	0.24%	8.43%	8.61%	11.12%
At 28% PIR tax	9.12%	-0.55%	7.72%	7.65%	10.32%

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

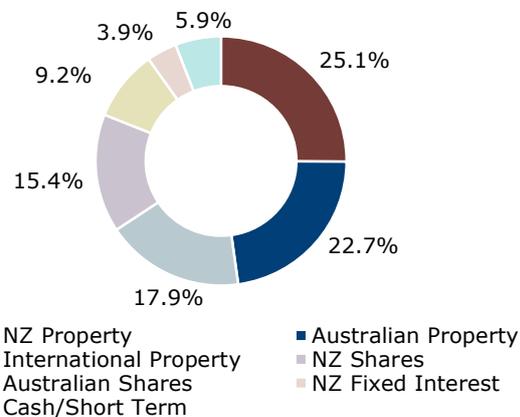
* Performance for periods longer than one year is per annum.

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	Cash	New Zealand	5.89%
2	Goodman Group	Australia	5.66%
3	Precinct Properties	New Zealand	4.76%
4	Ryman Healthcare LTD	New Zealand	4.32%
5	Oceania Healthcare	New Zealand	4.01%
6	Kiwi Property Group	New Zealand	3.88%
7	Property For Industries	New Zealand	3.79%
8	Goodman Property Trust	New Zealand	3.66%
9	Summerset Group Holdings	New Zealand	3.30%
10	Stride Stapled Group	New Zealand	3.10%

Total number of holdings 283

FUND SIZE

\$497,189,565.90 as at 30 September 2020.

ADDITIONAL FUND DETAILS

Minimum Transaction Size	
Lump sum payments	\$500
Regular payments	\$50
Lump sum withdrawals	\$500
Regular withdrawals	\$100

Fees	
Total fund charge*	0.84%

*The total fund fee for the year ending 30 June 2020.

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