



## 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 challenging first half of 2020, the MFL Mutual Fund continued its impressive recovery, recording 10.30% over the quarter.

The strong recovery came as the New Zealand property sector – a significant contributor to the Fund – continued its impressive second half of 2020. For the quarter, the New Zealand listed property sector gained more than 8%, with all but one of the companies that make up the sector delivering positive returns.

The buoyant New Zealand property market, supported by low interest rates and short supply, saw shares in retirement companies finish the final quarter sharply higher, which benefited fund performance. In particular, the fund's overweight positions to Summerset Group Holdings Limited and Oceania Healthcare Limited.

Shares in Summerset finished the quarter up nearly 40% after the company said its Australian operation is tracking well and expects the first units to be delivered at the end of 2021. Meanwhile, Oceania finished the quarter up nearly 30%, trading to a record high near \$1.50.

Also benefiting performance was the fund's holding of Kiwi Property Group, which finished the quarter up around 18%. In November, the company reported financial results for the six months ending 30 September 2020, which showed a 47.5% increase in net profit after tax of \$54.2 million, while operating profit fell 8.4%.

A slight detractor on performance was the fund's holding of cash. As equity markets rose, defensive assets, such as cash underperformed. In saying this, cash is an

important asset for the portfolio as it provides liquidity for asset allocation.

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 recovering early losses in the year and now in positive territory and 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	10.30%	4.43%	9.47%	9.09%	11.89%
At 28% PIR tax	9.69%	3.69%	8.56%	8.17%	11.05%

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

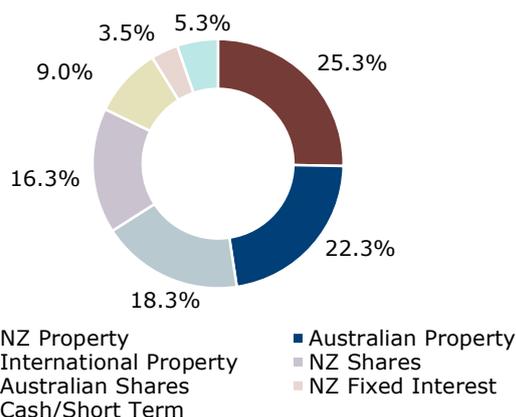
\* Performance for periods longer than one year is per annum.

## 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	Goodman Group	Australia	5.67%
2	Cash	New Zealand	5.27%
3	Precinct Properties NZ	New Zealand	4.50%
4	Oceania Healthcare	New Zealand	4.44%
5	Summerset Grp Holdings	New Zealand	4.20%
6	Kiwi Property Group	New Zealand	3.82%
7	Property For Industries	New Zealand	3.71%
8	Goodman Property Trust	New Zealand	3.67%
9	Ryman Healthcare Ltd	New Zealand	3.62%
10	Stride Stapled Group	New Zealand	3.56%

Total number of holdings 310

## FUND SIZE

\$540,891,437 as at 31 December 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