



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

The New Zealand property sector struggled over the quarter, with the listed property index falling 1.9%, struggling against the backdrop of a slowing economy and broadly weaker economic data. Weak economic data included third quarter growth, as measured by GDP, which fell 1.0% over the quarter, while retail sales have now registered nine consecutive quarters of decline, and the unemployment rose to 4.8%.

The worsening economic backdrop prompted the Reserve Bank of New Zealand (RBNZ) to cut the Official Cash Rate (OCR) by 100 basis points over the quarter, and it forecasted several more rate cuts for 2025. Despite the cuts to the OCR, bond yields remained elevated – another headwind for the property sector.

Across the Tasman, the Australian property sector had a weaker quarter, falling 6%, but a stellar first half of the year saw the index deliver an 18.5% return over the year.

Against this backdrop, the MFL Property Fund fell 2.65% over the quarter. While it was a disappointing end to the year, the fund outperformed its benchmark, which fell 3.90%. Over one year, the fund's return is 6.08%, versus the benchmark's 6.23%.

Contributing to the fund's relative outperformance were the overweight holdings of two retirement sector companies, Ryman Healthcare Limited and Summerset Group Holdings Limited. Both saw their share price rise by nearly 10%, benefiting from falling mortgage rates, as banks started lower these in response to the OCR cuts. Falling mortgage rates are generally positive for prospective buyers of retirement units. Furthermore, the retirement sector remains buoyant following September's takeover of Arvida Group, in signs the sector is attractive from a valuation perspective.

Some other strong performers were its holdings in Auckland International Airport and

Port of Tauranga. While not property companies in the true sense, they both have a large property component associated to them. Auckland Airport was up 16%, as it found that its shares were highly sought after as Auckland Council sold its remaining shareholding in the company. Strong selection within the fund's international property holdings was also beneficial to relative performance, as some of the fund's long-standing holdings in the healthcare and data centre sectors delivered good returns.

While there were strong individual performances, as alluded to above, weakness in the listed property sectors in both New Zealand and Australia weighed negatively on the fund's absolute returns. A small underweight to cash also held back returns, at a time when cash outperformed.

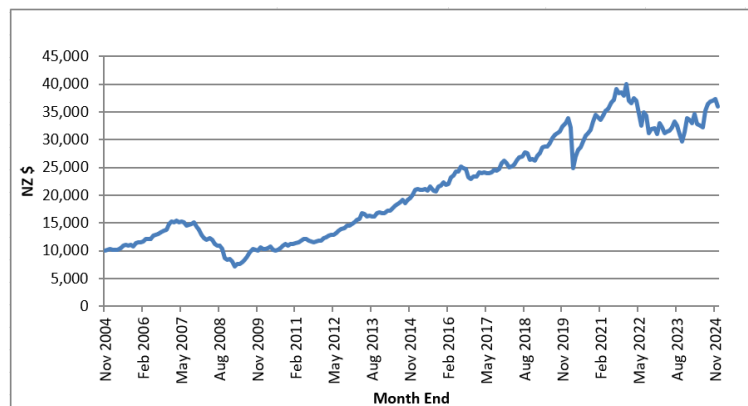
FUND PERFORMANCE

	3mth	1 year	3 years (p.a.)*	5 years (p.a.)*	10 years (p.a.)*
At 0% PIR tax	-2.65%	6.08%	-3.58%	1.72%	5.98%
At 28% PIR tax	-2.11%	6.01%	-3.97%	1.21%	5.32%

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

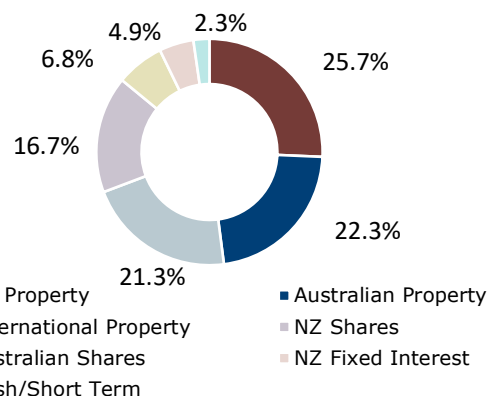
* Performance for period longer than one year is the fund's average performance per annum.

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	8.35%
2	Goodman Property Trust Units	New Zealand	5.62%
3	Oceania Healthcare Ltd.	New Zealand	5.17%
4	Ryman Healthcare Ltd.	New Zealand	4.14%
5	Precinct Properties NZ Ltd & Precinct Properties Investments Ltd	New Zealand	3.99%
6	Summerset Group Holdings Limited	New Zealand	3.85%
7	Kiwi Property Group Ltd.	New Zealand	3.81%
8	Stride Property Group	New Zealand	3.22%
9	Property For Industry Limited	New Zealand	2.95%
10	ANZ WHOLESALE HIGH GRADE BOND FUND	New Zealand	2.66%

Total number of holdings 329.

FUND SIZE

\$ 383,958,594 as at 31 December 2024.

ADDITIONAL FUND DETAILS

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

Fees (year to 30 June 2024)	
Total fund charges*	0.84%

* The total annual fund charge for the year ending 30 June 2024.

INVESTMENT MANAGER



Francois de Cannart d'Hamale is responsible for ANZ Investments' specialist Australasian listed property mandates.

Francois joined ANZ in May 2023 and has close to 25 years' experience in the finance and property sectors.

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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