



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 strong rebound out of the 2020 COVID-19 recession, New Zealand property stocks ran into some headwinds to start the year as rising bond yields saw traditional defensive stocks, such as property, out of favour. Over the quarter, the New Zealand listed property index fell 4.1%.

However, global markets performed much better with most international property indices finishing the quarter higher insulating the fund somewhat from the weaker New Zealand performance.

The mixed performance in property markets saw the fund fall 0.2% over the first quarter of 2021.

The fund saw strong gains in its allocation to Australian property, which benefited from the gradual re-opening of its economy. In particular, the fund's holding of childcare owner Arena REIT was a strong contributor to fund performance, with shares in the company gaining more than 10% over the first quarter.

Detracting from fund performance was the fund's position in Oceania Healthcare Limited. Shares in the retirement company declined more than 10% over the quarter in part due to the announcement of a \$100m capital raise. The retirement sector is sensitive to housing prices so the news that the government was imposing measures to curb the rise in domestic housing also weighed on the retirement sector.

Despite the small decline in fund performance over the quarter, we continue to take a long-term view on our investing, which has proven to be successful over the years. Our focus remains on investing in quality companies with strong management and balance sheets, which can survive through periods of tougher

economic conditions but tend to perform well as conditions improve.

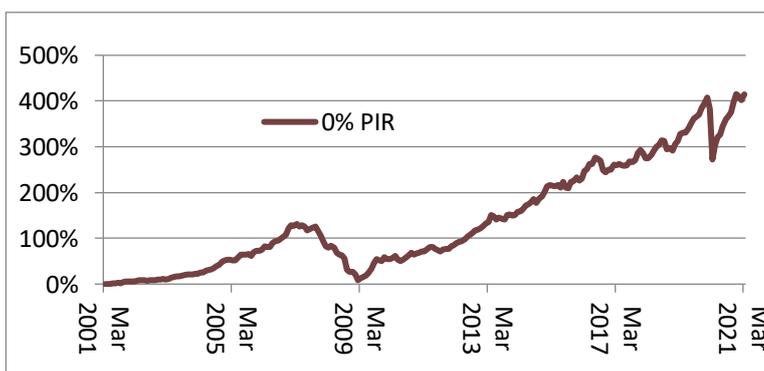
FUND PERFORMANCE

	3mth	1 year	3 years (p.a.)*	5 years (p.a.)*	10 years (p.a.)*
At 0% PIR tax	-0.20%	38.29%	11.04%	8.15%	11.61%
At 28% PIR tax	-0.16%	36.87%	10.29%	7.25%	10.75%

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.

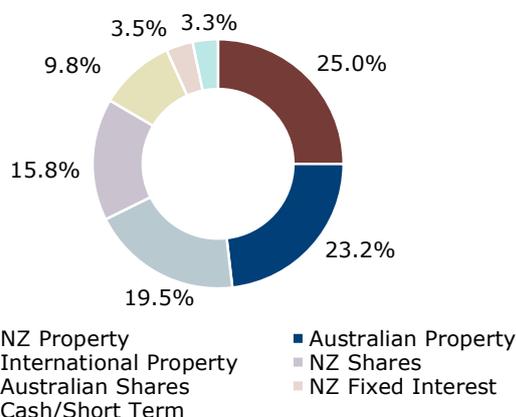
* Performance for periods longer than one year is the fund's average performance per annum.

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	6.16%
2	Oceania Healthcare	New Zealand	4.48%
3	Precinct Properties	New Zealand	4.29%
4	Summerset Group	New Zealand	4.17%
5	Goodman Property Trust	New Zealand	4.11%
6	Kiwi Property Group	New Zealand	3.91%
7	Property for Industry	New Zealand	3.61%
8	Ryman Healthcare	New Zealand	3.45%
9	Stride Property Group	New Zealand	3.38%
10	Cash	New Zealand	3.26%

Total number of holdings 301

FUND SIZE

\$537,077,149 as at 31 March 2021.

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 2020)	
Total fund charges*	0.84%

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

INVESTMENT MANAGER



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

Craig has managed the MFL Mutual Fund since 2006 and has over 25 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