



Fund Watch

APRIL 2021

Welcome

It was a mixed quarter for property markets, with New Zealand listed property falling, while international property markets were mainly positive. In this issue we look at how the MFL Mutual Fund has performed during this time and some of the key factors behind it.

How has the fund performed?

Performance as at 31 March 2021	3 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)
MFL Mutual Fund	-0.20%	38.29%	11.04%	8.15%	11.61%

Performance is after annual fund charges and before tax.

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.

Ryman Healthcare Limited, one of the fund's long-standing holdings, was also able to buck the broader trend lower in New Zealand property stocks, finishing the quarter up 0.7%.

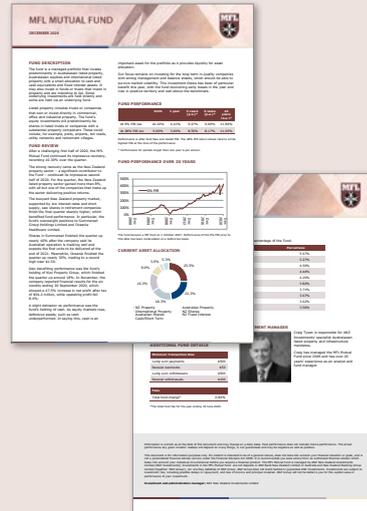
Detracting from fund performance was the fund's position in **Oceania Healthcare Limited**. Shares in the retirement company declined more than 10% over the quarter in part due to the announcement of a \$100m capital raise. The retirement sector is sensitive to housing prices so the news that the government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

You can find helpful information on the MFL website

You'll find plenty of useful information on the MFL website, including:

- A quarterly MFL Fact Sheet which provides key information on your investment including performance, investment commentary and how the fund invests.
- Market Review – see at a glance how financial markets performed in the last quarter.
- Read about our approach to responsible investing at mflmutual.co.nz



Here to help

For financial advice, speak to your financial adviser. ANZ Investments can put you in touch with an adviser in your area if you need one. You can contact ANZ Investments on:

 **0800 736 034**  **service@anzinvestments.co.nz**  **mflmutual.co.nz**

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Investment and administration manager: ANZ New Zealand Investments Limited 04/2021