

MFL MUTUAL FUND

JUNE 2021



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

It was a solid quarter for property investments, as declining bond yields saw this asset class return to favour. Property had sold-off heavily in the first quarter, on fears around rising interest rates, but rebounded strongly this quarter as those concerns dissipated. Property has also done well from a pick-up in global economic activity, as more countries ease lockdown restrictions as the global vaccine rollout continues at pace.

Listed property indices generally outperformed their broader equity market indices, and international markets were the better performers. Against this backdrop, the fund delivered a return of 6.66% this quarter (after fees and tax), taking the one-year return to 28.33%.

The fund saw strong gains from its Australian listed property holdings, with notable performances coming from the fund's listed property fund managers; namely Charter Hall Group, Goodman Group and Centuria Capital Group. All three have benefited from an increase in funds under management (and the higher fees derived from this), as interest in the Australian property markets has picked-up given that its economy is highly geared to any rebound in global economic growth.

Despite the broad underperformance of New Zealand listed property relative to their international counterparts, some strong stock selection also benefited the fund. Of particular note were its holdings in Oceania Healthcare and Summerset Group, both of which are owners and operators of retirement villages here in New Zealand. Both have benefited from strength in the local housing market. A buoyant residential market allows owners to sell their property in order to purchase a retirement unit and gives operators the ability to lift unit prices.

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 for the long-term in quality companies with strong management and balance sheets, which can survive through periods of market volatility, yet reward investors during market rallies. This approach has led to strong outperformance of the fund against its benchmark during the worst period of market performance last year.

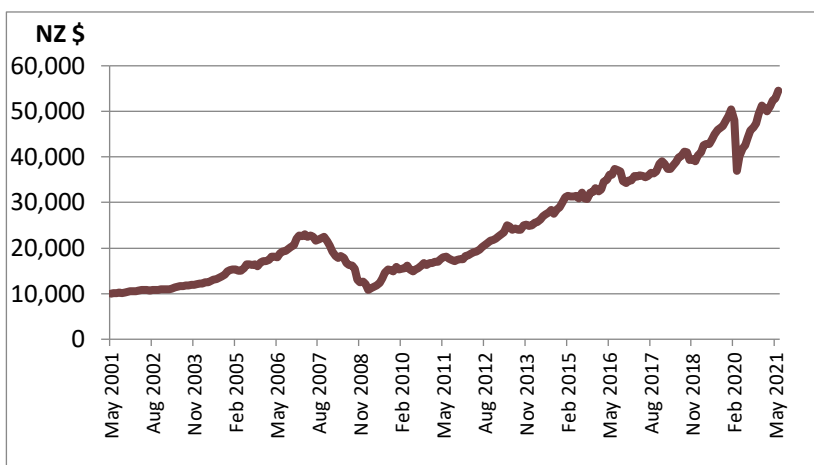
FUND PERFORMANCE

	3mth	1 year	3 years (p.a.)*	5 years (p.a.)*	10 years (p.a.)*
At 0% PIR tax	6.66%	28.33%	11.03%	8.60%	11.68%
At 28% PIR tax	6.40%	27.15%	10.13%	7.79%	10.86%

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.

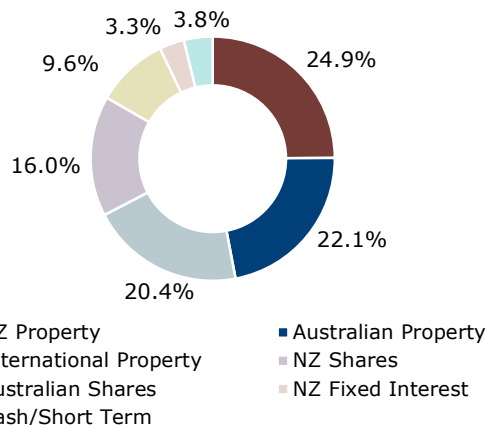
* Performance for period longer than one year is the fund's average performance per annum.

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	6.46%
2	Oceania Healthcare	New Zealand	4.99%
3	Summerset Group Holdings	New Zealand	4.52%
4	Precinct Properties NZ Ltd	New Zealand	4.40%
5	Goodman Property Trust	New Zealand	4.16%
6	Cash	New Zealand	3.80%
7	Property for Industry Ltd	New Zealand	3.56%
8	Kiwi Property Group	New Zealand	3.39%
9	Stride Stapled Group	New Zealand	3.28%
10	Ryman Healthcare Ltd	New Zealand	2.79%

Total number of holdings 291

FUND SIZE

\$564,019,430 as at 30 June 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.

This document is for information purposes only. We recommend seeking financial advice about your situation and goals before getting a financial product. MFL Mutual Fund Limited is the issuer and manager of the MFL Mutual Fund. ANZ New Zealand Investments Limited (ANZ Investments) is the investment and administration manager for the MFL Mutual Fund. Investments in the MFL Mutual Fund are not deposits in ANZ Bank New Zealand Limited or Australia and New Zealand Banking Group Limited (together 'ANZ Group'), nor are they liabilities of ANZ Group. ANZ Group does not stand behind or guarantee ANZ Investments. Investments are subject to investment risk, including possible delays in repayment, and loss of income and principal invested. ANZ Group will not be liable to you for the capital value or performance of your investment.

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