



Fund Watch

JULY 2021

Welcome

It was a particularly strong quarter for property markets, as the asset class benefitted from an easing in COVID-19 lockdown restrictions in many countries and falling bond yields. In this issue we look at how the MFL Mutual Fund has performed and some of the key drivers behind it.

How has the fund performed?

Performance as at 30 June 2021	3 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)
MFL Mutual Fund	6.66%	28.33%	11.03%	8.60%	11.68%

Performance is after annual fund charges and before tax.

It was a solid quarter for property investments, as declining bond yields and the easing of lockdown restrictions saw property outperform other asset classes. 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 property markets were the better performers. The Australian listed property index gained 10.5%, while international listed property rose 9.8% (hedged to NZD). New Zealand property underperformed, but still delivered a respectable gain of 2.4% over the quarter.

Against this backdrop, the fund delivered a return of **6.66%** this quarter (after fees and before 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 Limited** 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, since higher house prices increases the ability of their owners to sell their property in order to purchase a retirement unit.

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.

Making the most of your MFL Mutual Fund

If the COVID-19 pandemic has shown us anything, it's that things can change - and sometimes you need to change along with them. That's why it's a good idea to regularly review your MFL Mutual Fund investment, to make sure you're getting the most from it.

As with any investment, the key is being clear about why you're investing. Whatever your goals – for example to save for the retirement you want or to keep your money working hard after you reach retirement age – are you still on track to achieve them? If not, you may want to consider making additional contributions if you're able to.

Setting up or increasing regular contributions or making lump sum contributions can be a good way to boost your retirement nest egg – and make the most of market gains. Here's how:

Regular contributions

You can make fortnightly, monthly, quarterly or annual contributions by setting up a direct debit. Simply download a [direct debit form \(PDF\)](#) and send it to ANZ Investments.

If you already have a direct debit set up, you can increase the amount, or change the frequency, by calling ANZ Investments on 0800 736 034.

Lump sum contributions

- **If you bank with ANZ**, simply log into ANZ Internet Banking or goMoney and transfer funds from any of your ANZ transactional accounts directly to your MFL Mutual Fund account.
- **If you don't bank with ANZ**, you can make lump sum contributions via your Internet Banking. Simply make your payment to:
MFL Mutual Fund
06-0801-0097105-00

If you make a lump sum payment, remember to include your surname, date of birth (DDMMYYYY format) and either your IRD number or investor number as the references. If you don't provide the correct details, ANZ Investments won't be able to credit your account.

Your account statement

Your 2021 account statement has been sent to you – look out for it in your mailbox. You can also find a copy under 'Documents' in ANZ Internet Banking or goMoney, if you have access.

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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