

31 January 2024

ONEANSWER SINGLE-ASSET-CLASS FUNDS

PROPERTY SECURITIES FUND

ABOUT THIS FUND

The Property Securities Fund invests mainly in New Zealand and Australian listed property assets. Investments may include listed companies, funds or trusts that invest in property, and cash and cash equivalents.

YOUR INVESTMENT TEAM

Your money is looked after by a highly experienced investment management team with a focus on long-term performance.

Find out more about our investment team at anz.co.nz/OA-investmentteam

RESPONSIBLE INVESTING

We're strong advocates of responsible investing (also known as sustainable investing). Responsible investing means when we're considering whether to invest in a company, we don't just look at their financial performance. We also look at their environmental, social and governance (ESG) performance, because we believe these factors have a big impact on long-term returns.

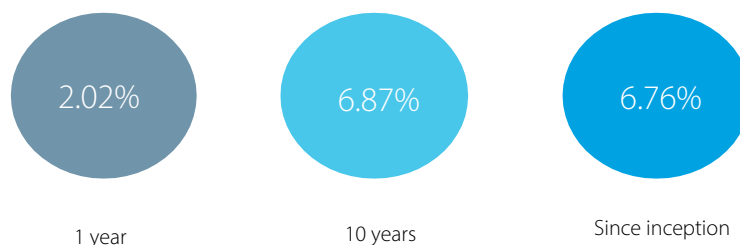
Find out more about our responsible investing approach at anz.co.nz/responsible-investing

THIS FUND AT A GLANCE

Size of the fund	\$88.m
Number of holdings	19
Fund start date	November 1994
Suggested minimum investment timeframe	10 years
Annual fund charge	1.10%

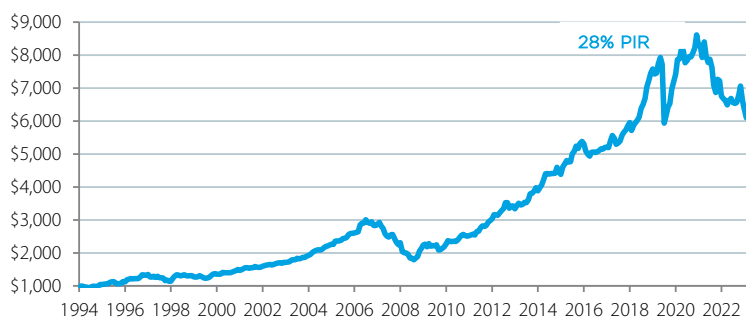
The OneAnswer Single-Asset-Class Funds guide and product disclosure statement is available at anz.co.nz/OA-investmentdocs.

HOW THIS FUND HAS PERFORMED



PIR (tax rate)	1mth	3mth	6mth	1yr	3yrs	5yrs	10 yrs
0%	-0.70%	10.88%	-4.25%	2.47%	-5.67%	2.71%	7.44%
17.5%	-0.69%	10.79%	-4.38%	2.19%	-5.90%	2.45%	7.09%
28%	-0.68%	10.74%	-4.46%	2.02%	-6.04%	2.29%	6.87%

Fund performance since launch



Performance is shown after fees and tax, at the highest prescribed investor rate (PIR) at the time of the performance, unless stated. Performance for periods longer than one year are annualised.

MARKET AND FUND REVIEW

It was a challenging start to the year for Australasian property stocks, as higher bond yields weighed on this interest rate-sensitive sector.

The US Federal Reserve (the Fed) pushed back on the idea that interest rates cuts would be forthcoming in its economy, while in New Zealand, although data showed that the pace of local inflation slowed, investors remained cautious about the high level of non-tradeable inflation (inflation generated locally, which is harder to get down).

Reserve Bank of New Zealand (RBNZ) chief economist, Paul Conway, gave a speech where he reaffirmed the central bank’s commitment to bring inflation back to target levels. At a time when several central banks are starting to suggest interest cuts could be on the horizon, Conway said “we still have a way to go to get inflation back to the target midpoint”. Meanwhile, across the Tasman, while the Reserve Bank of Australia did not meet in January, inflation there slowed sharply to 4.1% in the final quarter of 2023, down from 5.4%, suggesting that its central bank may well be done with further rate hikes.

The New Zealand listed property sector fell 0.3% over the month. Of the 10 companies within the sector, four ended higher, with NZ Rural Land (+11.9%) and Argosy Property (+4.0%) the standout performers. Meanwhile, the Australian listed property sector fared a bit better, delivering a 1.3% gain, buoyed by the strength of the broader Australian share market.

The fund is a concentrated portfolio of Australasian-based listed companies with the majority based in New Zealand.

The fund underperformed its benchmark in January. Holding back returns was its underweight to Argosy Property Limited, a listed property company which holds a portfolio of mainly industrial, office and retail buildings. Argosy was the second-best performing company within the listed property sector, so our significant underweight held back returns. Our holding in Oceania Healthcare was another detractor, as it proved to be one of the weaker performing of the retirement village companies over the month.

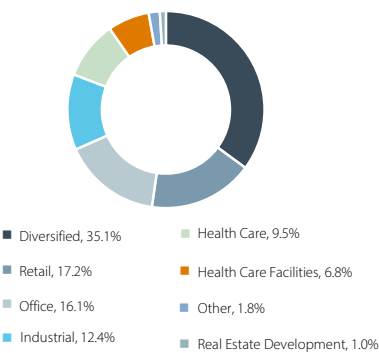
Helping offset some of the negatives was the fund’s overweight position to Summerset Group Holdings Limited. Shares in the retirement village owner and operator jumped by more than 7%, following the release of record fourth-quarter sales data. The company reported a record 360 sales in the December quarter, with 186 new sales and 174 resales. That took annual sales to 1103, and chief executive Scott Scoular said he was optimistic for the coming year given strong demand and positive signs that the residential property market is improving.

FUND CHARACTERISTICS

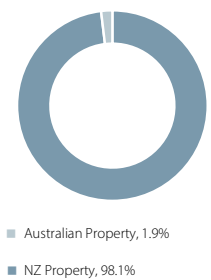
Top 5 holdings

Asset name	% of fund
1 Goodman Property Trust Units	19.3%
2 Precinct Properties NZ Ltd & Precin	15.7%
3 Kiwi Property Group Ltd.	12.9%
4 Stride Property Group	12.4%
5 Property For Industry Ltd.	12.1%
Total top 5 holdings	72%

Sector allocation



Geographic allocation



All market returns quoted in commentary are in local currency terms. 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 and is not intended to be financial advice. It is recommended that you seek advice from a financial adviser before you acquire a financial product.

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