



FUND DESCRIPTION

The MFL Mutual Fund invests predominantly in Australasian listed property, Australasian equities and international listed property. It may also invest in cash and cash equivalents, fixed interest assets and companies, funds or trusts that invest in property and are intending to list.

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

The fund delivered a strong gain of 9.3% over the quarter and over one year the fund is up 14.1%.

Australian and International property markets were the standout performers this quarter. New Zealand property was also strong, up 8.7%, but lagged behind its international counterparts. Global listed property markets continue to perform well, given the defensive nature of this asset class, and as investors seek high and stable yields – which property companies derive from the rents they charge their tenants.

As we have mentioned previously, we had been exercising a little more caution in the fund in anticipation of market volatility. While this was of benefit last quarter, the fund's cash weighting of around 10% has held back performance this quarter, at a time when listed property assets were sharply higher.

The MFL Mutual Fund can invest in New Zealand and Australian companies that have a large property component to them. Its long-standing overweight position in Metlifecare was however a particular drag on performance this quarter, as its shares fell 6%, when the rest of the market rallied strongly. Metlifecare has been affected by a slowing residential New Zealand housing market.

It wasn't all bad news in the retirement space. The fund's overweight position to Aveo Group, Australia's largest listed retirement village operator, had a positive impact. While it delivered a disappointing half year result, it subsequently received a number of non-binding takeover offers, which saw its shares rise by 23% over the quarter.

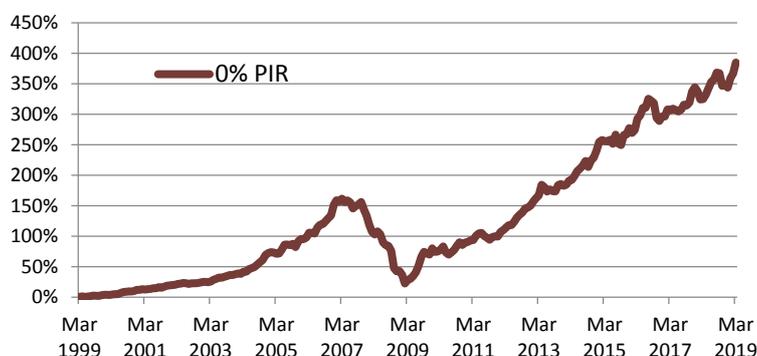
FUND PERFORMANCE

	3mth	1 year	3 years (p.a.)*	5 years (p.a.)*	10 years (p.a.)*
At 0% PIR tax	9.26%	14.11%	7.25%	10.63%	14.22%
At 28% PIR tax	8.88%	13.20%	6.19%	9.87%	13.32%

Performance is after fund fees and stated PIR. The 28% PIR return shows returns at the highest PIR at the time of the performance.

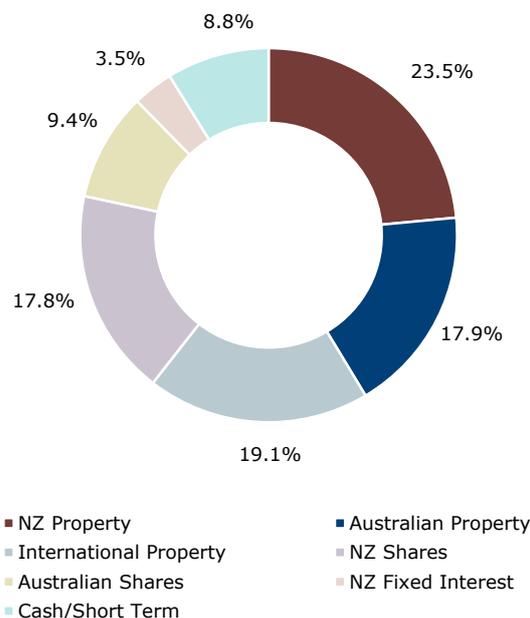
* Performance for periods longer than one year is per annum.

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	Cash	New Zealand	8.80%
2	Metlifecare Limited	New Zealand	7.07%
3	Ryman Healthcare Ltd	New Zealand	6.58%
4	Kiwi Property Group	New Zealand	5.32%
5	Precinct Property NZ	New Zealand	4.75%
6	Scentre Group	Australia	3.36%
7	Stride Property Group	New Zealand	3.02%
8	Property For Industry	New Zealand	2.75%
9	Goodman Group	Australia	2.33%
10	Goodman Property Trust	New Zealand	2.23%

Total number of holdings 302

FUND SIZE

\$494,959,186 as at 31 March 2019.

ADDITIONAL FUND DETAILS

Minimum transaction size

Lump sum payments	\$500
Regular payments	\$50
Lump sum withdrawals	\$500
Regular withdrawals	\$100

Fees

Total fund charge*	0.88%
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*The total fund fee for the year ending 30 June 2018.

INVESTMENT MANAGER



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

Craig has managed the MFL Mutual Fund since 2006 and has over 20 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