

SGH LaSalle Global Listed Property Securities Fund



31 March 2018

SG HISCOCK & COMPANY

Fact Sheet

Investment objective	Aim is to outperform the FTSE EPRA/NAREIT Developed Index - Hedged to AUD (Net of Withholding Tax) by 2% pa on average over a 3 to 5 year period (before fees and expenses).		
Investments held	Property securities listed on major world stock exchanges including USA, Canada, Western Europe, Asia and Australia which derive the bulk of their income from rental income.		
Investment Manager	SG Hiscock & Company Limited & LaSalle Investment Management Securities, LLC		
APIR	ETL0005AU	mFund Product Code	SHF05
Commencement	31 October 2003	Management costs¹	1.103% p.a.
Minimum initial investment	\$20,000	Buy spread	+0.25%
Fund size	\$203.83 million	Sell spread	-0.25%

Unit Prices	Application	Net Asset Value	Withdrawal
31 March 2018	\$ 1.2820	\$ 1.2788	\$ 1.2756

Performance as at 31 March 2018 ²	1 mth %	3 mths %	6 mths %	1 yr %	2 yrs % p.a.	3 yrs % p.a.	5 yrs % p.a.
Distribution Return	0.00	0.00	0.72	2.26	2.30	2.27	3.44
Growth Return	2.36	-5.23	-1.94	-1.70	-0.64	-2.06	2.83
Total Net Return	2.36	-5.23	-1.22	0.56	1.66	0.21	6.27
Index Return ³	2.37	-5.30	-1.85	1.23	2.53	1.92	7.25

Top 5 holdings as at 31 March 2018			Income Distributions	
Company	Holding %	Country	Distribution Period	Cents per Unit
Simon Property Group	6.18%	United States	31-Dec-15	1.0000
Sun Hung Kai Properties Ltd.	4.81%	Hong Kong	30-Jun-16	2.0028
Equity Residential	4.10%	United States	31-Dec-16	1.0006
AvalonBay Communities Inc.	3.46%	United States	30-Jun-17	2.0000
Welltower Inc.	3.44%	United States	31-Dec-17	1.0000

Asset allocation as at 31 March 2018				
Regions	Countries	Allocations %	Current portfolio %	Benchmark %
Asia Pacific	Australia	5.24	27.65	27.90
	Hong Kong	8.71		
	Japan	12.85		
	Singapore	0.85		
Europe	Continental	11.84	18.27	18.83
	UK	6.43		
North America	Canada	1.56	54.08	53.27
	US	52.52		
TOTAL		100.00	100.00	100.00

- Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").
- Performance: Distribution Return is the return due to distributions paid by the Fund, Growth Return is the return due to changes in initial capital value of the Fund, Total Net Return is the Fund return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions.
- Index = FTSE EPRA/NAREIT Developed Index - Hedged to AUD (Net of Withholding Tax) (effective March 2015, previously UBS Global Investors Index - Hedged to AUD (Net of Withholding Tax)).

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Commentary

The country allocations of the portfolio were adjusted in March. The portfolio's position to Australia was increased, reducing the underweight position to the country. This shift was funded from increases to the portfolio's underweight positions to Singapore and Continental Europe. The portfolio remains overweight to the United States and the United Kingdom; underweight to Japan and Canada; and modestly overweight to Hong Kong.

The portfolio outperformed its benchmark in March. Positive stock selection and regional allocation results contributed to relative performance this month. Positive stock selection was driven by outperformance in the United States, Hong Kong and the U.K. In the U.S. an overweight position to the apartment sector and U.S. hotel REIT LaSalle Hotel Properties contributed to results, while a tilt toward the office market drove outperformance in Hong Kong and the U.K. Country allocation benefitted from an overweight position to the U.K. and U.S. Currency hedging had a negative impact on relative performance of the fund this month.

Leading economic indicators remain positive across much of the globe, continuing to suggest healthy levels of global economic growth. While further improvement in economic growth expectations may be moderating, the healthy outlook supports the fundamentals of the real estate sector and offers potential upside to real estate security earnings growth.

The healthy backdrop has been accompanied by the commencement of and expectation for monetary policy tightening from central banks and hence, modestly tighter financial conditions. However, this modest shift in financial conditions has yet to reach a level that has significantly impacted the pricing of direct real estate and is likely to be mitigated to some degree by the benefits of a healthy economic backdrop.

Given the health of real estate fundamentals in the current economic and capital market environment, LaSalle continues to expect solid levels of earnings and dividend growth for real estate securities. Property companies continue to offer attractive pricing discounts relative to the underlying value of their real estate as well as broader market alternatives.

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