

# SGH LaSalle Global Listed Property Securities Fund

31 July 2018



SG HISCOCK & COMPANY

## Fact Sheet

<b>Investment objective</b>	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).		
<b>Investments held</b>	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.		
<b>Investment Manager</b>	SG Hiscock & Company Limited & LaSalle Investment Management Securities, LLC		
<b>APIR</b>	ETL0005AU	<b>mFund Product Code</b>	SHF05
<b>Commencement</b>	31 October 2003	<b>Management costs<sup>1</sup></b>	1.103% p.a.
<b>Minimum initial investment</b>	\$20,000	<b>Buy spread</b>	+0.25%
<b>Fund size</b>	\$54.11 million	<b>Sell spread</b>	-0.25%

Unit Prices	Application	Net Asset Value	Withdrawal
31 July 2018	\$ 1.3963	\$ 1.3928	\$ 1.3893

Performance as at 31 July 2018 <sup>2</sup>	1 mth %	3 mths %	6 mths %	1 yr %	2 yrs % p.a.	3 yrs % p.a.	5 yrs % p.a.
Distribution Return	0.00	0.39	0.39	1.18	1.74	1.97	2.49
Growth Return	1.42	5.77	4.88	6.92	1.36	2.23	5.74
Total Net Return	1.42	6.16	5.27	8.10	3.10	4.20	8.23
Index Return <sup>3</sup>	0.93	5.28	3.93	6.46	2.31	5.64	9.25

Top 5 holdings as at 31 July 2018			Income Distributions	
Company	Holding %	Country	Distribution Period	Cents per Unit
Simon Property Group	6.18%	United States	30-Jun-16	2.0028
Sun Hung Kai Properties Ltd.	4.79%	Hong Kong	31-Dec-16	1.0006
Equity Residential	4.22%	United States	30-Jun-17	2.0000
AvalonBay Communities Inc.	3.99%	United States	31-Dec-17	1.0000
Welltower Inc.	3.62%	United States	30-Jun-18	0.5000

Asset allocation as at 31 July 2018				
Regions	Countries	Allocations %	Current portfolio %	Benchmark %
Asia Pacific	Australia	5.03	27.78	25.88
	Hong Kong	10.09		
	Japan	12.42		
	Singapore	0.23		
Europe	Continental	11.32	16.11	18.46
	UK	4.79		
North America	Canada	1.34	56.11	55.66
	US	54.77		
<b>TOTAL</b>		<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

- 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)).

## Fact Sheet

### Commentary

The country allocations of the portfolio were adjusted in July. The portfolio's overweight position to Australia was reduced, while its market weight position to the U.K. was shifted to a modest underweight. These changes were used to increase the portfolio's overweight positions to Hong Kong and Japan, and modestly reduce the underweight position to Canada. The portfolio remained overweight to the United States and underweight to Continental Europe and Singapore.

The portfolio outperformed its benchmark in July. Relative performance was driven by positive stock selection, stemming from outperformance in the United States and Hong Kong. U.S. results were positively impacted by an overweight position to the apartment, higher-quality regional mall and cell tower sectors, as well as a tilt toward the New York office market companies, which outperformed their West Coast peers. In Hong Kong, tilts to the office and non-discretionary retail sector benefitted results. Regional allocation (excluding cash and currency forwards) results were flat this month as the positive impact from an overweight to Hong Kong was offset by the negative impact from an underweight to Singapore.

The global economy is healthy and economic growth expectations remain near current cycle peak levels. Leading economic indicators, while off highs, remain at levels supportive of continued economic expansion in most regions. While uncertainty related to future global trade relations and political tensions linger, growth prospects have yet to be meaningfully impacted.

This healthy economic backdrop has been accompanied by higher interest rates and inflation expectations in 2018 as central banks have begun to shift away from looser monetary policy stances. While financial conditions have tightened, they have not reached a level that has significantly impacted the pricing of direct real estate. Additionally, any impact from this shift is likely to be mitigated to some degree by the benefits generated for the real estate sector in a strengthened macro-environment.

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 global real estate securities. Property companies are trading at attractive discounts to NAV and continue to offer attractive pricing compared to their historical trading pattern with private real estate.

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