

SGH LaSalle Global Listed Property Securities Fund



31 January 2019

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	\$30.16 million	Sell spread	-0.25%

Unit Prices	Application	Net Asset Value	Withdrawal
31 January 2019	\$ 1.4289	\$ 1.4253	\$ 1.4217

Performance as at 31 January 2019 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	0.42	0.40	0.81	1.60	1.89	2.48
Growth Return	9.94	6.77	2.33	7.33	5.57	5.57	6.29
Total Net Return	9.94	7.19	2.73	8.14	7.17	7.46	8.77
Index Return ³	9.98	7.04	3.00	7.04	7.18	7.92	9.69

Top 5 holdings as at 31 January 2019		
Company	Holding %	Country
Simon Property Group	5.08%	United States
AvalonBay Communities Inc.	4.52%	United States
Mitsubishi Estate Co. Ltd.	4.29%	Japan
Welltower Inc.	4.19%	United States
Public Storage	3.97%	United States

Income Distributions	
Distribution Period	Cents per Unit
31-Dec-16	1.0006
30-Jun-17	2.0000
31-Dec-17	1.0000
30-Jun-18	0.5000
31-Dec-18	0.5000

Asset allocation as at 31 January 2019				
Regions	Countries	Allocations %	Current portfolio %	Benchmark %
Asia Pacific	Australia	5.10	29.20	26.62
	Hong Kong	10.44		
	Japan	13.32		
	Singapore	0.34		
Europe	Continental	10.80	16.30	17.57
	UK	5.50		
North America	Canada	1.27	54.50	55.82
	US	53.23		
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 unchanged in January. The portfolio remained overweight to Hong Kong, Japan, the United Kingdom and Australia, underweight to Continental Europe, Singapore and Canada and market weight to the United States.

For the month of January, the portfolio performed in line with its benchmark. Stock selection results were positively impacted by outperformance in Japan and Continental Europe, which was offset by underperformance in the United States, Australia and Hong Kong. Regional allocation results (allocation and currency, exclusive of cash and currency forwards) were flat for the month. Currency hedging had a positive impact on relative performance this month.

Capital market assets rallied in January as the fears that drove end of year declines began to recede. Expectations for a resolution to the U.S.-China trade dispute have improved, the U.S. Federal Reserve took a much more dovish approach to future monetary policy and China's government is loosening policy, both fiscally and monetarily, all offering support to investor sentiment. At the same time, leading economic indicators continue to align with moderate levels of economic expansion, which should be sufficient to drive real estate demand. The potential for lower, but positive, levels of economic growth may favor assets with lower risk profiles, more durable cash flow streams, and solid growth prospects, benefitting the real estate asset class on a relative basis.

Given the current state of real estate fundamentals and the expectation for continued, albeit softer, economic expansion, LaSalle continues to expect solid earnings and dividend growth from real estate securities. Despite January's significant rally, global real estate securities continue to offer discounts to their historical trading range with the value of their underlying real estate or Net Asset Value, which has prompted capital events within the sector.

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