

31 January 2018

## Fact Sheet

<b>Investment objective</b>	The Fund seeks to provide total return through long-term capital appreciation and current income by investing primarily in equity and equity-related securities issued by international property companies. It provides investors exposure to attributes of property ownership along with liquidity offered by tradable securities. The Fund focuses on core property companies, which are considered by the Investment Manager to have a lower risk profile than the broader universe of property securities. Please note the investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve.		
<b>Investments held</b>	Listed property securities which are considered by the Investment Manager to have a lower risk profile than the broader property securities universe, and which are listed on major world stock exchanges including US, Canada, Western Europe and Asia.		
<b>Investment Manager</b>	SG Hiscock & Company Limited & LaSalle Investment Management Securities, LLC		
<b>APIR</b>	ETL0394AU	<b>mFund Product Code</b>	SHF06
<b>Commencement</b>	29 January 2014	<b>Management costs<sup>1</sup></b>	0.98% p.a.
<b>Minimum initial investment</b>	\$20,000	<b>Buy spread</b>	+0.25%
<b>Fund size</b>	\$2.73 million	<b>Sell spread</b>	-0.25%

Unit Prices	Application	Net Asset Value	Withdrawal
31 January 2018	\$ 1.0816	\$ 1.0789	\$ 1.0762

Performance as at 31 January 2018 <sup>2</sup>	1 mth %	3 mths %	6 mths %	1 yr %	2 yr % pa	3 yr % pa	Inception % pa
Distribution Return	0.00	1.48	1.46	5.31	8.81	7.20	7.72
Growth Return	-3.83	-0.48	-2.01	-4.41	-5.30	-5.58	1.85
Total Net Return	-3.83	1.00	-0.55	0.90	3.51	1.62	9.57
Index Return <sup>3</sup>	-2.57	0.93	0.24	4.27	6.75	2.92	10.20

Income Distributions	30-Jun-16	31-Dec-16	30-Jun-17	31-Dec-17
CPU	13.9788	1.5446	4.3749	1.6704

Top 5 holdings as at 31 January 2018			
Company	Holding (%)	Country	Description
Simon Property Group	8.15%	United States	US REIT which primarily invests in regional malls and community shopping centres.
Equity Residential	5.65%	United States	US REIT whose business activities include the acquisition, development, and management of multifamily properties in the US.
Welltower Inc.	4.82%	United States	US REIT which primarily invests in senior housing and health care real estate properties.
Boston Properties Inc.	4.55%	United States	US REIT which owns, manages and develops office properties in Boston, New York, Washington D.C., San Francisco, and Princeton.
Public Storage	4.52%	United States	US REIT whose business activities include the acquisition, development, ownership and operation of self-storage facilities. Public Storage also owns an equity interest in an owner and operator of self-storage facilities in Europe.

1. Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").  
 2. 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.  
 3. Index = FTSE EPRA/NAREIT Developed Rental Index \$A hedged (ex Australia).

## Fact Sheet

Asset allocation as at 31 January 2018				
Regions	Countries	Allocations (%)	Current portfolio (%)	Benchmark (%)
Asia Pacific	Hong Kong	2.72	9.43	12.33
	Japan	5.68		
	Singapore	1.03		
Europe	Continental	14.65	23.34	21.08
	UK	8.69		
North America	Canada	1.82	67.23	66.59
	US	65.41		
<b>TOTAL</b>		<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

### Commentary

The country allocations of the portfolio remain unchanged in January. We maintained overweight positions to the United States and the United Kingdom; underweight positions to Canada, Japan and Singapore; and market weight positions to Hong Kong and Continental Europe.

For the month of January, the portfolio returned -3.8%, underperforming the benchmark index by 1.2%. Relative outperformance was driven by negative stock selection results in the United States. A large portion of underperformance can be attributed to the portfolio's lower risk strategy. Higher risk sectors, such as U.S. hotel companies, are screened out of the portfolio's investable universe. Hotel companies are screened out of the universe due to the riskier nature of the short term duration of their leases. The hotel sector outperformed in January, negatively impacting results, as it was buoyed by expectations for an increase in consumer and leisure travel with the improved economic backdrop and reduced tax burden. An underweight position to the industrial sector and overweight position to the retail sector also weighed on U.S. performance. Regional allocation (allocation and currency combined, exclusive of cash and currency forwards) results were negative this month, driven by an overweight position to the United States and an underweight position to Japan. Currency hedging had no material impact relative performance of the fund during the month.

Leading economic indicators are positive and have shown sustained improvement across much of the globe, pointing towards synchronized global economic growth. With the improved growth outlook, interest rates have trended higher, but have been driven by increasing inflation expectations. As these increases have been driven by advances in inflation expectations, financial conditions have remained relatively unchanged and broadly supportive of risk assets. At the same time, global monetary policy remains widely accommodative and real estate fundamentals are generally positive in most regions, as noted in current earnings reporting and operational updates. A modest economic acceleration could result in additional commercial real estate demand, driving better cash flow growth. LaSalle believes the health of real estate fundamentals in the current economic and capital market backdrop remains supportive for earnings and dividend growth of real estate securities at this time.

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