

31 October 2018

Fact Sheet

Investment objective	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.		
Investments held	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.		
Investment Manager	SG Hiscock & Company Limited & LaSalle Investment Management Securities, LLC		
APIR	ETL0394AU	mFund Product Code	SHF06
Commencement	29 January 2014	Management costs¹	0.98% p.a.
Minimum initial investment	\$20,000	Buy spread	+0.25%
Fund size	\$1.67 million	Sell spread	-0.25%

Unit Prices	Application	Net Asset Value	Withdrawal
31 October 2018	\$ 1.0123	\$ 1.0098	\$ 1.0073

Performance as at 31 October 2018 ²	1 mth %	3 mths %	6 mths %	1 yr %	2 yr % pa	3 yr % pa	Inception % pa
Distribution Return	0.00	0.00	11.09	12.53	8.84	9.73	8.89
Growth Return	-2.11	-2.23	-5.85	-6.85	-5.55	-6.62	0.15
Total Net Return	-2.11	-2.23	5.24	5.68	3.29	3.11	9.04
Index Return ³	-2.64	-3.08	3.34	2.98	4.04	4.19	8.99

Income Distributions	31-Dec-16	30-Jun-17	31-Dec-17	30-Jun-18
CPU	1.5446	4.3749	1.6704	12.0583

Top 5 holdings as at 31 October 2018			
Company	Holding (%)	Country	Description
Simon Property Group	7.62%	United States	US REIT which primarily invests in regional malls and community shopping centres.
Equity Residential	5.55%	United States	US REIT whose business activities include the acquisition, development, and management of multifamily properties in the US.
AvalonBay Communities Inc.	5.25%	United States	US REIT that develops, redevelops, acquires, owns, and operates multifamily communities in the United States.
Welltower Inc.	4.95%	United States	US REIT which primarily invests in senior housing and health care real estate properties.
Public Storage	4.93%	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).

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Asset allocation as at 31 October 2018				
Regions	Countries	Allocations (%)	Current portfolio (%)	Benchmark (%)
Asia Pacific	Hong Kong	5.04	13.54	14.16
	Japan	8.32		
	Singapore	0.18		
Europe	Continental	12.34	19.76	19.59
	UK	7.42		
North America	Canada	1.35	66.69	62.88
	US	65.34		
TOTAL		100.00	100.00	100.00

Commentary

The country allocations of the portfolio were unchanged in October. At month-end, the portfolio remains overweight to the United States, Hong Kong and the United Kingdom and underweight to Canada, Singapore, Continental Europe and Japan.

The portfolio outperformed its benchmark in October. Relative performance was impacted by positive stock selection and modestly negative regional allocation results. Stock selection results were primarily driven by outperformance in the United States. Results in the U.S. benefitted from overweight positions to the higher-quality regional mall and self storage sectors, both of which benefitted from healthy earnings results. Additionally, a portion of this outperformance can be attributed to the portfolio's lower-risk bias, specifically underweight positions to the U.S. data center and hotels sectors. These sectors are screened out of the portfolio's investment universe and underperformed this month, positively impacting results. Regional allocation results (allocation and currency, exclusive of cash and currency forwards) were negatively impacted by an overweight position to Hong Kong and an underweight position to Japan. Currency hedging had no material impact relative performance this month.

Global economic growth expectations are largely unchanged in the past few months and leading economic indicators continue to suggest continued economic expansion.

Interest rates, from both a nominal and real perspective, have trended higher this year. Tighter financial conditions and higher borrowing costs can create headwinds for risk assets. In a broadly positive economic environment, any impact from tighter financial conditions is likely to be mitigated to some degree by the benefits such an economic environment provides. Regarding the real estate sector, a more positive economic backdrop drives the potential of increased demand for space and consumption, providing potential upside to company cash flows. Stimulative fiscal policies also stand as a potential offset to tighter financial conditions.

Given the health of real estate fundamentals, LaSalle continues to expect solid levels of earnings and dividend growth from real estate securities. Global real estate securities continue to offer attractive pricing compared to their historical trading pattern with private real estate.

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