

31 October 2017

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	\$2.49 million	Sell spread	-0.25%

Unit Prices	Application	Net Asset Value	Withdrawal
31 October 2017	\$ 1.0868	\$ 1.0841	\$ 1.0814

Performance as at 31 October 2017 ²	1 mth %	3 mths %	6 mths %	1 yr %	2 yr % pa	3 yr % pa	Inception % pa
Distribution Return	0.00	0.00	3.83	5.18	8.35	7.24	7.84
Growth Return	-1.14	-1.54	-4.37	-4.22	-6.50	-2.11	2.11
Total Net Return	-1.14	-1.54	-0.54	0.96	1.85	5.13	9.95
Index Return ³	-0.46	-0.68	1.47	5.10	4.80	6.61	10.65

Income Distributions	31-Dec-15	30-Jun-16	31-Dec-16	30-Jun-17
CPU	1.0000	13.9788	1.5446	4.3749

Top 5 holdings as at 31 October 2017			
Company	Holding (%)	Country	Description
Simon Property Group	8.27%	United States	US REIT which primarily invests in regional malls and community shopping centres.
Equity Residential	6.43%	United States	US REIT whose business activities include the acquisition, development, and management of multifamily properties in the US.
Boston Properties	4.70%	United States	US REIT which owns, manages and develops office properties in Boston, New York, Washington D.C., San Francisco, and Princeton.
Welltower Inc.	4.68%	United States	US REIT which primarily invests in senior housing and health care real estate properties.
AvalonBay Communities Inc.	4.60%	United States	US REIT that develops, redevelops, acquires, owns, and operates multifamily communities in the United States.

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 2017				
Regions	Countries	Allocations (%)	Current portfolio (%)	Benchmark (%)
Asia Pacific	Hong Kong	2.35	8.88	11.32
	Japan	5.44		
	Singapore	1.09		
Europe	Continental	13.65	21.51	19.58
	UK	7.87		
North America	Canada	1.60	69.60	69.10
	US	68.00		
TOTAL		100.00	100.00	100.00

Commentary

The country allocations of the portfolio were adjusted in October. We modestly increased our underweight position to Japan and our overweight position to the United Kingdom. We maintained overweight position to the United States, underweight positions to Canada and Singapore and market weight positions to Continental Europe and Hong Kong.

For the month of October, the portfolio returned -1.14%, underperforming the benchmark by 0.68%. Regional allocation (allocation and currency combined, exclusive of cash and currency forwards) results were relatively flat this month. Allocation results were negatively impacted by underweight positions to Singapore and Canada, but were offset by positive contribution from our overweight positions to the United States and the United Kingdom. Stock selection results were negatively impacted by underperformance in the United States and Europe. A large portion of the underperformance in the U.S. was driven by the low-risk strategy of the portfolio. The portfolio does not own higher risk companies, such as those in the lodging, data center, and manufactured homes sectors, which outperformed this month. Stock selection results were also hindered by an overweight position to the U.S. regional mall sector and an overweight to the U.K. office market, specifically the West End. Currency hedging negatively impacted relative performance of the fund during the month.

Leading economic indicators remain positive and have improved across much of the globe. At the same time, global monetary policy continues to be accommodative even with some tightening commencing. As a result, financial conditions remain broadly supportive. Real estate fundamentals are generally positive across most regions, as noted by the healthy results in the most recent earnings reporting periods. We believe the health of real estate fundamentals in the current economic and capital market backdrop should support earnings and dividend growth for real estate securities moving forward.

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