

31 March 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	\$2.67 million	Sell spread	-0.25%

Unit Prices	Application	Net Asset Value	Withdrawal
31 March 2018	\$ 1.0580	\$ 1.0554	\$ 1.0528

Performance as at 31 March 2018 ²	1 mth %	3 mths %	6 mths %	1 yr %	2 yr % pa	3 yr % pa	Inception % pa
Distribution Return	0.00	0.00	1.44	5.15	8.39	7.15	7.36
Growth Return	3.57	-5.92	-3.76	-7.20	-9.87	-6.20	1.24
Total Net Return	3.57	-5.92	-2.32	-2.05	-1.48	0.95	8.60
Index Return ³	3.22	-5.87	-2.94	-0.53	1.08	1.89	8.89

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 March 2018			
Company	Holding (%)	Country	Description
Simon Property Group	7.91%	United States	US REIT which primarily invests in regional malls and community shopping centres.
Equity Residential	5.80%	United States	US REIT whose business activities include the acquisition, development, and management of multifamily properties in the US.
AvalonBay Communities Inc.	5.06%	United States	US REIT that develops, redevelops, acquires, owns, and operates multifamily communities in the United States.
Welltower Inc.	4.69%	United States	US REIT which primarily invests in senior housing and health care real estate properties.
Public Storage	4.69%	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 March 2018				
Regions	Countries	Allocations (%)	Current portfolio (%)	Benchmark (%)
Asia Pacific	Hong Kong	2.63	9.56	12.53
	Japan	6.18		
	Singapore	0.75		
Europe	Continental	14.42	23.06	21.06
	UK	8.64		
North America	Canada	1.90	67.38	66.41
	US	65.48		
TOTAL		100.00	100.00	100.00

Commentary

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

The portfolio outperformed its benchmark in March. Positive stock selection and regional allocation results both contributed to relative performance this month. Positive stock selection was driven by outperformance in the United States, the U.K., Hong Kong and Singapore. In the U.S., an overweight position to the apartment sector drove outperformance, while a tilt toward the office market drove results in the U.K. and Singapore. Country allocation benefitted from overweight positions to the United Kingdom and the United States and an underweight position to Japan, which lagged the index. Currency hedging had a negative impact on relative performance of the fund this month.

Leading economic indicators remain positive across much of the globe, continuing to suggest healthy levels of global economic growth. While further improvement in economic growth expectations may be moderating, the healthy outlook supports the fundamentals of the real estate sector and offers potential upside to real estate security earnings growth.

The healthy backdrop has been accompanied by the commencement of and expectation for monetary policy tightening from central banks and hence, modestly tighter financial conditions. However, this modest shift in financial conditions has yet to reach a level that has significantly impacted the pricing of direct real estate and is likely to be mitigated to some degree by the benefits of a healthy economic backdrop.

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 real estate securities. Property companies continue to offer attractive pricing discounts relative to the underlying value of their real estate as well as broader market alternatives.

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