SG Hiscock Wholesale Property Fund

30 April 2017

SG HISCOCK & COMPANY

Fact Sheet

Investment objective	The Fund aims to outperform the S&P/ASX 200 A-REIT Accumulation Index over rolling three to five year periods while providing a quarterly income stream.		
Investments held	The Fund will provide exposure primarily to listed property trusts with the aim to provide income and capital growth potential over the long-term.		
Investment Manager	SG Hiscock & Company		
APIR	CRS0007AU		
Commencement	31 December 1993	**Buy spread**	+0.25%
Management costs[1]	0.78% p.a.	**Sell spread**	-0.25%
Minimum initial investment	$10,000	**Investment pool size**	$78.54 million

Unit Prices	Application	Withdrawal
30 April 2017	$0.9539	$0.9491

Performance as at 30 April 2017[2]	1 mth %	Qtr %	6 mths %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	Incept' % p.a.
Distribution Return	0.00	0.51	1.26	3.06	4.35	4.66	8.71
Growth Return	2.61	6.81	8.04	6.09	10.22	11.44	-0.53
Total Net Return	2.61	7.32	9.30	9.15	14.57	16.10	8.18
S&P/ASX 200 A-REIT Accum. Index	2.61	7.53	10.21	5.82	15.57	16.26	7.78

Top 5 holdings as at 30 April 2017
Westfield Corporation
Scentre Group
Stockland Stapled
Vicinity Centres
Mirvac Group

Top 5 holdings represent 75.95% of the total Fund.

Distribution Period	Cents per Unit
30-Jun-16	1.12
30-Sep-16	0.49
31-Dec-16	0.92
31-Mar-17	0.44

Asset Allocation as at 30 April 2017	
Australian REITS	99.10
Cash	0.90

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.

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Commentary

The **S&P/ASX 200 Property Accumulation Index** rose 2.6% in April, outperforming both Global Real Estate Investment Trusts (REITs) (up 1.1%) and the broader market (S&P/ASX 300 Accumulation Index) which rose 1% in a busy month in-terms of potential Merger and Acquisition ("M&A").

Domestic Economic Data

The latest quarterly Consumer Price Index figures were released, showing a 2.1% annual uplift from a headline perspective, with it being slightly softer on a core basis. This was slightly weaker than anticipated including the composition. Given it is between the Reserve Bank of Australia's (RBA) 2% to 3% range, the consensus is now that the RBA will not move on further Interest Rate cuts over the medium-term. Despite this, the Ten-Year Bond Yield firmed approximately 12 basis points. The Terms of Trade was up materially, led by the rise in Commodity Prices but the Australian Dollar fell below US$0.75, as Iron Ore prices more recently fell markedly.

Other notable data points in April included a rise in Motor Vehicle Sales (but still down over the rolling 12-months) with Credit Growth slowing, due to the decline in Housing Investors. Dwelling Approvals increased but are still down from their late-2016 peaks, as the pace of Housing price growth was up approximately 13% over the rolling 12-months (Australia-wide). The Purchasing Managers Index (PMI) took another leg-up, consolidating its position in expansionary territory. Retail Sales were weaker than expected, producing a yearly growth rate of only 2.7%. Rising Job Ads suggest improvement for Employment figures in the near-term, as the Unemployment Rate remained flat, despite a jump in actual employment levels, in-line with a rise in the Leading Index.

Overseas Economic Data

US economic data came in softer in April. US Federal Reserve Officials continued to point to a more muted growth profile of Interest Rate rises going forward. This saw the 10-Year Bond Yield drop for the month by 10 basis points to sub-2.3% despite rebounding later in the month, as the global markets reacted positively to the results in the latest round of the French Elections.

Headlining the soft US Data was the drop in annual Gross Domestic Product (GDP) Growth to only 0.7%. This was via lower Consumer Spending (with Car Sales notably softer) as well as a cut-back in Inventories. Inflation was more muted, in-line with a drop in the Oil Price. On the other side of the ledger, Business and Housing Investment improved but the respective Sentiment Surveys were softer. Wage Growth registered an annual rise but only to 2.5%. Both the Unemployment/Under-Employment Rate continues to fall but the level of jobs growth is slowing, as the economy nears full-employment.

The **European** PMI continues to edge higher. Core Inflation rose above 1%, as the Unemployment Rate dipped below the psychologically important 10%-level. Retail Sales continued their growth off a low-base across the Continent, surpassing forecasts. The European Central Bank left Rates on hold, as it sees that the Eurozone requires no further stimulus. In the **UK**, the PMI fell marginally but remains entrenched in expansionary territory as the economic data across the board continues to deteriorate, as the ramifications of BREXIT continue to manifest.

Japan's Inflation dipped back into negative territory, as Industrial Production reduced. Retail Sales rose but both Department Stores and Supermarket Sales growth were negative. The latest PMI readings showed a further moderate rise, consolidating in the expansionary range. The Bank of Japan maintained the present policy settings, as the 10-Year Bond Yield intra-month dipped back into negative territory, before finishing marginally above zero once more.

In **China**, the latest economic data was largely positive, with Retail Sales, GDP, Industrial Production and Investment Spending all registering increasing growth rates. The PMI's continue to remain positive.