

SG Hiscock Property Fund

31 January 2021

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	SIV Compliant	Yes
Commencement	31 December 1993	Buy spread	+0.25%
Management costs¹	0.78% p.a.	Sell spread	-0.25%
Minimum initial investment	\$10,000	Investment pool size	\$26.92 million

Unit Prices	Application	Withdrawal
31 January 2021	\$0.7840	\$0.7800

Performance²	1 mth %	Qtr %	6 mths %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	Inception % p.a.
31 January 2021							
Distribution Return	0.00	1.33	1.41	2.41	3.62	3.65	7.99
Growth Return	-2.62	12.10	18.65	-21.01	-5.61	-1.72	-1.17
Total Net Return	-2.62	13.43	20.06	-18.60	-1.99	1.94	6.82
S&P/ASX 200 A-REIT Accum. Index	-4.06	9.10	15.52	-13.96	5.15	5.88	7.26

Past performance is not a reliable indicator of future performance.

Top 5 holdings	Distribution Period	Cents per Unit
Goodman Group	31-Mar-20	0.82
Scentre Group	30-Jun-20	0.21
Stockland Stapled	30-Sep-20	0.00
Vicinity Centres	31-Dec-20	0.95
GPT Group		

Top 5 holdings represent 63.11% of the total Fund.

Asset Allocation	
Australian REITS	98.18%
Cash	1.82%



Source: Fidante Partners Limited 31 January 2021.

The Professional Planner | Zenith Fund Awards are determined using proprietary methodologies. Fund Awards were issued October 5, 2018 and are solely statements of opinion and do not represent recommendations to purchase, hold or sell any securities or make any other investment decisions. Fund Awards are current for 12 months from the date awarded and are subject to change at any time. Fund Awards for previous years are referenced for historical purposes only.

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.

Commentary

We continue to target Australian Real Estate Investment Trusts (AREITs) that provide solid fundamentals over the medium-to-long-term that are trading attractively relative to other AREITs. Overall we endeavour to invest in entities that offer a combination of:

- A Net Present Value ("NPV") Discount;
- An Internal Rate of Return ("IRR") Premium;
- Ideally a (Real, not manufactured) Free Cashflow Yield Premium; and
- A Lower Price to Net Asset Value ("NAV").

The S&P/ASX 200 AREIT Accumulation Index was weaker to start the year, negatively impacted by the rise in the long end of the Yield Curve, which saw the 10-Year Bond Yield consolidate its move north of 1%, finishing near its intra-month highs at 1.13%. The Index finished down 4.1%, as investors factor in the prospect of higher interest rates, which saw a move out of the more growth-orientated names, which presently comprise a large portion of the Index. Global REITs fared much better, finishing 0.5% lower in January. The broader market in Australia (S&P/ASX 300 Accumulation Index) rose 0.3%, driven by the Consumer Discretionary sector.

Top Contributors to the Portfolio Return:

Month	Return %	Comment
Stockland	6.3	No announcements for the month. Stockland is the chief beneficiary amongst the AREITs, in terms of the buoyant Residential market dynamics across Australia, via combination of lower interest rates and the make-up of the HomeBuilder package. This makes their predominantly House and Land Developments most appealing, given this backdrop. The Overweight position contributed to the relative performance.
Peet Limited	2.9	Peet has benefitted in terms of the buoyant Residential market dynamics across Australia, via combination of lower interest rates and the make-up of the HomeBuilder package. This makes their predominantly House and Land Developments most appealing to prospective purchasers. Their material WA exposure has also been a positive in the present environment, given the generous State Government Incentives that have also been provided. The Off-Benchmark position contributed to the relative performance.
Unibail-Rodamco-Westfield	6.1	Announced the reorganisation of their Management structure, with five Regional Chief Operating Officers and Executive Managing Directors reporting to the CEO. As well, the large composition of Shorts on the REIT's register saw it benefit from the ensuring short-covering trend globally in January. The Overweight position contributed to the relative performance.



SG HISCOCK & COMPANY

SG Hiscock Property Fund

31 January 2021

Negative Contributors to the Portfolio Return:

Month	Return %	Comment
Charter Hall Long WALE	-0.6	BlackRock increased their substantial securityholding in the AREIT by 1% to 6.17%. The Underweight position detracted from the relative performance.
National Storage	0.0	Mondrian ceased being a substantial securityholder in National Storage. The Underweight position detracted from the relative performance.
Centuria Capital	-11.2	No announcements for the month. Being considered as one of the "growth" names, which generally underperformed in January, Centuria Capital was no exception. The Off-Benchmark position detracted from the relative performance.

For more information visit www.sghiscock.com.au

This material has been prepared by SG Hiscock & Company Limited ABN 51 097 263 628, AFSL 240 679 (SG Hiscock), the investment manager of SG Hiscock Property Fund. Fidante Partners Services Limited ABN 44 119 605 373 AFSL 320505 (Fidante), is the responsible entity of the Fund. Other than information which is identified as sourced from Fidante in relation to the Fund, Fidante is not responsible for the information in this material, including any statements of opinion. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The PDS for the Fund, issued by Fidante, should be considered before deciding whether to acquire or hold units in the Fund. The PDS can be obtained by calling 13 51 53 or visiting www.fidante.com. Neither Fidante nor any of its respective related bodies corporate guarantees the performance of the Fund, any particular rate of return or return of capital. Past performance is not a reliable indicator of future performance. SG Hiscock and Fidante have entered into arrangements in connection with the distribution and administration of financial products to which this material relates. In connection with those arrangements, SG Hiscock and Fidante may receive remuneration or other benefits in respect of financial services provided by the parties.