SG HISCOCK & COMPANY

LaSalle INVESTMENT MANAGEMENT

SGH LaSalle Global Listed Property Securities Fund

30 June 2024

Performance[1]	Total Net Return	Income Return	Growth Return	Index[2]
1 month (%)	0.12	0.00	0.12	0.65
3 month (%)	-0.12	0.00	-0.12	-2.03
6 month (%)	0.35	0.00	0.35	-2.12
1 year (%)	8.46	0.00	8.46	4.60
3 years (% p.a.)	-0.59	0.32	-0.91	-4.15
5 years (% p.a.)	1.72	0.48	1.24	-1.14
7 years (% p.a.)	3.32	0.62	2.70	1.14
10 years (% p.a.)	4.26	1.16	3.10	3.24
Inception (% p.a.)	6.37	3.96	2.41	6.35

Past performance is not a reliable indicator of future performance.

[1] 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.

*[2] **FTSE EPRA/NAREIT Developed Index** - Hedged to AUD (Net of Withholding Tax*

Investment objective

To provide exposure to global property companies and outperform the FTSE EPRA/NAREIT Developed Index - Hedged to AUD (Net of Withholding Tax) by 2% pa on average over a 3- to 5- year period (before fees and expenses).

Investments held

Property securities listed on major world stock exchanges including USA, Canada, Western Europe, Asia and Australia which derive the bulk of their income from rental income.

Premium/ (Discount) to NAV		Forecast/Forward Dividend Yield	
GLPST	-16%	GLPST	+4.5%
Benchmark	-2%	Benchmark	+4.2%

Key Facts

Investment manager	SG Hiscock & Company Ltd
Fund manager	LaSalle Investment Management Securities, LLC
Inception date	31 October 2003
Benchmark	FTSE EPRA/NAREIT Developed Index - Hedged to AUD (Net of Withholding Tax)
Management fee[3]	0.80%
Performance fee[4]	20%
Fund size	$13.5M
Number of holdings	49
Dividends payable	Biannual
Buy/sell spread	+0.25/ -0.25%
Minimum initial investment	$20,000
Base currency	AUD
APIR	ETL0005AU
Fund code	SHF05
Domicile	Australia
	Unit price
Application	$1.5673
Net Asset Value	$1.5634
Withdrawal	$1.5595
	Distribution cpu
30-Jun-23	nil
30-Dec-23	nil
30-Jun-24	nil

[3] Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").

[4] Effective 1 March 2021 a performance fee of 20% (net GST and an estimate of RITC) of any investment return above the fund's performance hurdle may also be payable as expense of the fund. The performance hurdle is above FTSE EPRA/NAREIT Developed Index - Hedged to AUD (Net of Withholding Tax) calculated on a daily basis.

Asset Allocation

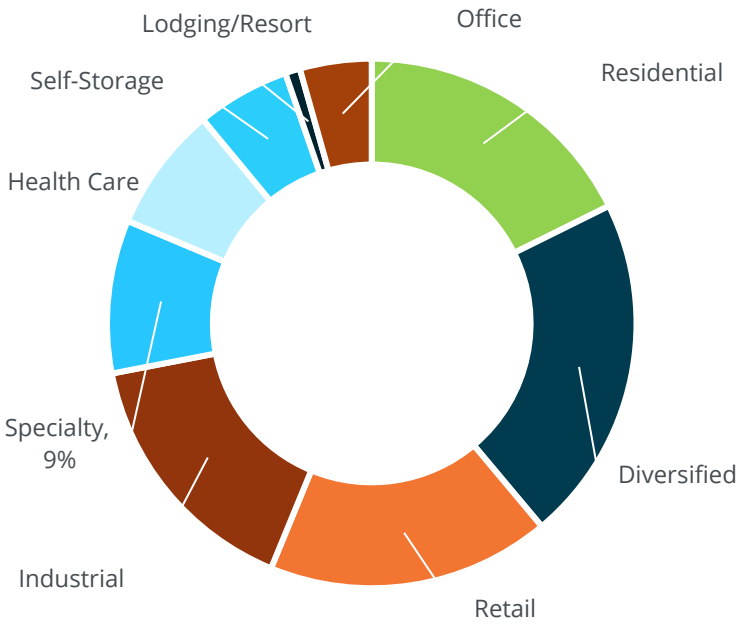
Top 5 Holdings	Region	%
Equinix Inc	United States	5.24
Prologis Inc	United States	5.01
Derwent London Plc	United Kingdom	4.38
Public Storage	United States	4.13
Gaming and Leisure Prop Inc	United States	4.11

Portfolio Holdings	Number of stocks
Australia	3
Hong Kong	2
Japan	9
Asia Equity Total	**14**
France	2
Germany	1
Belgium	2
UK	4
Europe Equity Total	**9**
Canada	4
US	22
North America Equity Total	**26**
Total Global Portfolio	**49**

Real Estate Geographic Asset Allocation

Countries / Regions	Benchmark Weights	Current Portfolio Weights	Current Spreads
Australia	5.98	2.67	-3.31
New Zealand	0.27	0.00	-0.27
Hong Kong	2.38	2.59	0.21
Japan	9.02	9.97	0.95
Singapore	2.97	0.00	-2.97
Korea, Republic of	0.12	0.00	-0.12
Asia Pacific	20.74	15.23	-5.51
Continental Europe	8.72	7.27	-1.45
U.K.	4.28	9.99	5.71
Europe	13.00	17.26	4.26
Canada	2.16	6.11	3.95
U.S.	64.10	61.40	-2.70
North America	66.26	67.51	1.25
Total	100.00	100.00	

Real Estate Sector (as defined by EPRA/NAREIT)	Current Portfolio Weights (%)
Diversified	21.22
Health Care	7.67
Ind & Office	0.00
Industrial	15.76
Lodging/Resort	0.91
Office	4.38
Residential	17.68
Retail	17.31
Self-Storage	5.71
Specialty	9.36
Total	**100.00**



Top 5 Holdings

Company	Portfolio Weight	Country	Description
Equinix Inc	5.24%	United States	Equinix, Inc. operates as a real estate investment trust. The Company invests in interconnected data centres.
Prologis Inc	5.01%	United States	Prologis operates as industrial real estate investment trust. The Company owns and develops storage services, as well as provides logistic facilities. Prologis serves clients worldwide.
Derwent London Plc	4.38%	United Kingdom	Derwent London Plc is a real estate investment trust (REIT) with a focus on the central London commercial, residential and office development market.
Public Storage	4.13%	United States	Public Storage operates as a real estate investment trust. The Company acquires, develops, owns, and manages self-storage facilities which leases self-storage spaces for personal and business use. Public Storage serves customers worldwide.
Gaming And Leisure Prop Inc	4.11%	United States	Gaming and Leisure Properties, Inc. owns and leases casinos and other entertainment facilities.

Market Review

Global REITs continued higher in June, erasing a portion of earlier year declines, on a local currency basis.

- FTSE EPRA Nareit Developed Index advanced 0.8% in June; MSCI World Equity Index was up 2.4% (in local currency).
    - REITs and risk assets were led by gains in the U.S. as inflation data continued to show a cooling trend, sparking increased expectations for monetary policy rate cuts from the Federal Reserve later this year; select central banks around the globe also took action or indicated the likelihood for forthcoming action to ease monetary policy.
    - Political uncertainty increased in recent weeks, impacting select markets and adding an additional dynamic for investors to monitor.

- Most property sectors finished higher this month, while regional performance was more mixed with select markets heavily weighing on the performance of specific property types.
    - Apartment and self storage sectors were clear cut winners this month as they advanced and outperformed.
        - Apartment companies benefitted from strength in the U.S. with the combination of positive operational updates and attractive transaction pricing within the sector.

        - Self storage companies rebounded from earlier year weakness with growing optimism that a decline in interest rates could spark home sales activity which is a significant driver of storage demand.
    - Manufactured housing and industrial sectors rebounded this month, offsetting a portion of earlier year declines; single family housing and data centre sectors also outperformed.
    - Regional mall, office and diversified companies underperformed, weighed down by weakness from French domiciled companies with exposure to those sectors; these companies were impacted by political uncertainty in the market while European REITs in general gave back a portion of their recent outperformance following the ECB's easing of its benchmark policy rate.
    - With increasing attention and concern related to economic deceleration, the developers underperformed, weighing on performance of Hong Kong and Japan.

June's advances erased much of the group's earlier year declines, bringing the REIT market close to start of year levels.

- REITs are down 1.3%, while equities have gained 13.7%.
- Broader equities have been supported by strong tech sector performance, particularly from companies with AI-based tailwinds, while REITs, along with less growth-oriented equities, have faced a headwind from rising interest rates as the timing of monetary policy rate cut expectations continue to be pushed out.

Fund Performance and Positioning

The Fund produced a modestly positive absolute total return in June, but trailed its benchmark after several month's of outperformance. Negative stock selection results drove relative performance results this month, while regional allocation results were modestly negative. The factors which had the largest impact to relative performance are noted below:

- Stock selection results were impacted by underperformance in Continental Europe, the U.K., and the U.S.; underperformance in Continental Europe was driven by an overweight to and specific positioning within the region's shopping centre and apartment sectors.
- Regional allocation results were negatively impacted by an overweight to the U.K., which underperformed.
- Currency impact and hedging results were largely flat this month.

Country allocations were adjusted in June:

- Underweight position to the U.S. was increased modestly.
- Exposure to Hong Kong was increased shifting from a modest underweight position to a very slight overweight position, while exposure to Japan was increased, modestly increasing the overweight position to the market.
- Overweight positions to Canada and the U.K, were maintained, as were underweight positions to Australia, Singapore and Continental Europe.

LaSalle's Outlook

The outlook for REITs is positive as inflation moderates, financial conditions ease and economic growth cools but remains positive. A global monetary policy easing cycle is likely underway as many central banks have either begun to cut policy rates or forecast to do so.

- Financial conditions have eased in recent weeks after tightening for much of 2024 as monetary policy is shifting more supportive in much of the globe. Despite uncertainty in the ultimate level and direction of interest rates and inflation, we do expect financial conditions to be less of a headwind to the real estate asset class moving forward, and for any easing in those levels to be a potential tailwind.
- Real estate fundamental outlooks remain solid, despite further normalization from recent peak years. Management commentary and outlooks have been more positive than earlier in the year and resulted in increases to guidance from initial levels. We expect a modest softening in fundamentals from recent strength, but for REITs to deliver durable growth in the forecast period. The outlook for external activity has also improved, with select sectors very well-positioned to take share.
- From a valuation perspective, REITs offer positive but mixed valuation signals in a broader market context.
    - REITs are trading largely in line with our marked down private market real estate values, with certain sectors and regions offering sizable discounts. Private values remain challenging to pinpoint but should become clearer as the 'bid-ask' spread narrows and transaction activity continues to increase.
    - REITs remain attractive relative to equities; valuations have improved relative to bonds, but REITs are fair to modestly expensive compared to the asset class.

Our forward outlook for REIT returns remains constructive with financial conditions likely to be less of a headwind, growth remaining solid and strong financial positions for many REITs positioning the sector to perform well and take advantage of opportunities as they arise. Further easing in financial conditions could serve as an additional tailwind to the sector and would be supportive to real estate values.

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