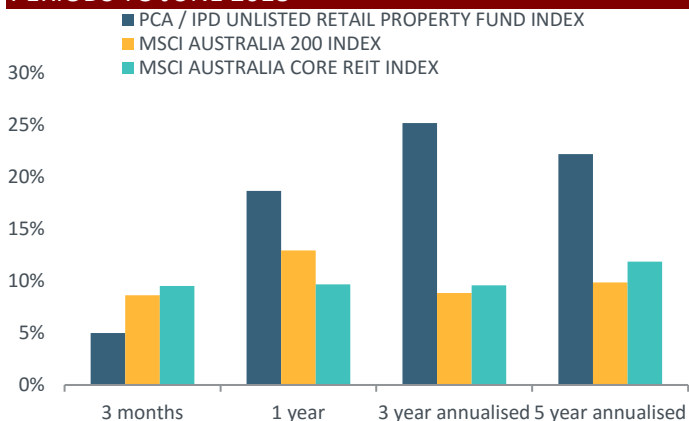


PROPERTY INVESTMENT FACTSHEET - JUNE 2018

Unlisted Funds

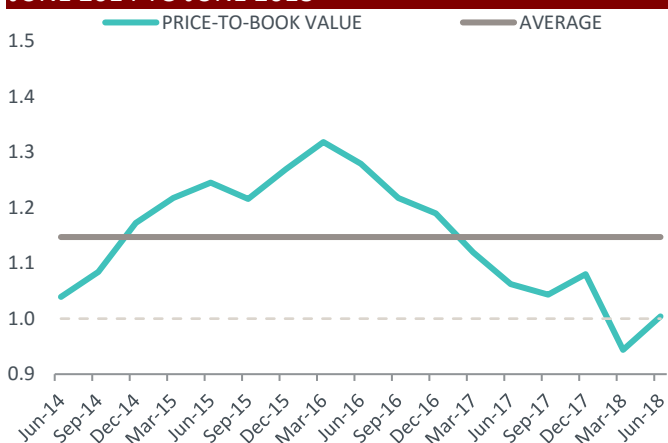
UNLISTED PROPERTY VS. EQUITIES PERIODS TO JUNE 2018



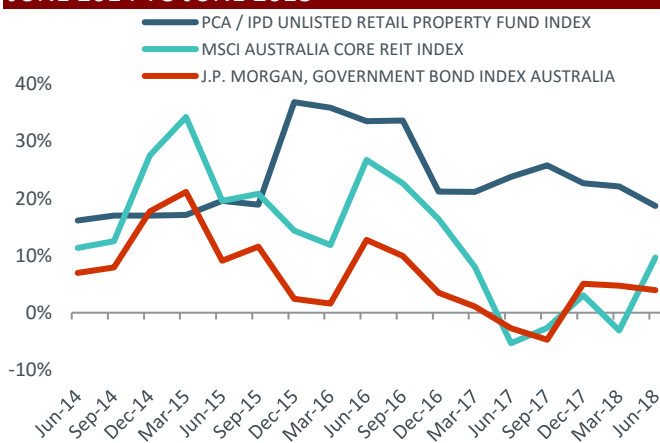
COMMENTARY

The 12 months to 30 June 2018 ended strongly for Australian equity markets (+12.9%) and A-REITs (+9.7%) after rebounding in the last quarter. Despite a backdrop of global uncertainties, attractive dividend yields, earnings growth and valuation multiple expansion was supportive. Although the prospect of rising bond yields remains a headwind, A-REIT Price-to-Book ratios showed an uptick in the last quarter. Australian unlisted property funds continued to perform strongly, with a total return of 18.7% for the year. The low cash rate environment is expected to underpin momentum to capital seeking assets with attractive yield spreads. As it relates to property, the momentum of this driver may ultimately cool without supportive growth in rents.

LISTED PROPERTY: PRICE TO BOOK VALUE JUNE 2014 TO JUNE 2018



FIXED INCOME, UNLISTED & LISTED PROPERTY JUNE 2014 TO JUNE 2018



DETAILED INVESTMENT TYPE COMPARISON

DATE (12 MONTHS TO)	Unlisted Property	Listed Property	Australian Equities	Global Equities	Fixed income	Cash
	PCA / IPD UNLISTED RETAIL PROPERTY FUND INDEX	MSCI AUSTRALIA CORE REIT INDEX	MSCI AUSTRALIA 200 INDEX	MSCI WORLD ex AUSTRALIA INDEX	J.P. MORGAN, GOVERNMENT BOND INDEX AUSTRALIA	AUSTRALIAN BANKS' TERM DEPOSITS AVERAGE RATE
Jun-14	16.1%	11.3%	17.2%	23.0%	7.0%	3.0%
Jun-15	19.6%	19.6%	5.8%	9.1%	9.1%	2.6%
Jun-16	33.5%	26.7%	0.3%	-2.4%	12.7%	2.2%
Jun-17	23.8%	-5.3%	13.8%	20.0%	-2.7%	2.1%
Jun-18	18.7%	9.7%	12.9%	11.9%	4.0%	1.95%
5 year annualised	22.2%	11.9%	9.8%	12.0%	5.9%	2.4%
Standard deviation	8.1%	10.5%	10.1%	7.6%	7.0%	0.2%

Data sources: MSCI, RBA, Barclays Capital (see other side for more information)

CONTENT PROVIDERS

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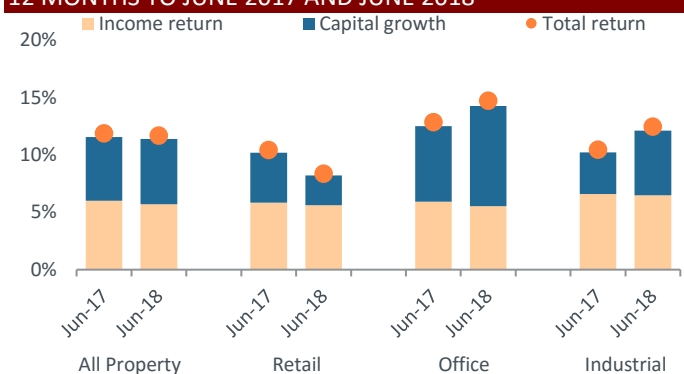
PROPERTY INVESTMENT FACTSHEET - JUNE 2018

Direct Property

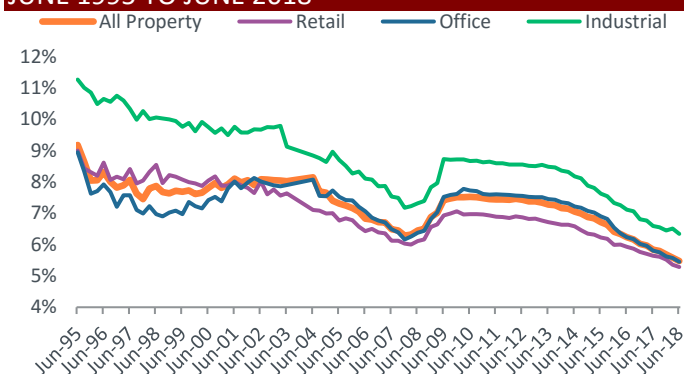
DIRECT PROPERTY INVESTMENT RETURNS MARCH 1986 TO JUNE 2018



INCOME & CAPITAL RETURN FOR DIRECT PROPERTY 12 MONTHS TO JUNE 2017 AND JUNE 2018



DIRECT PROPERTY CAP RATES PER SECTOR JUNE 1995 TO JUNE 2018



DATA SOURCES -All results shown are accumulation indexes-

- UNLISTED PROPERTY The Property Council/IPD Australian Unlisted Retail Property Fund Index, Core funds, Pre-fee total return
- AUSTRALIAN EQUITIES MSCI Australia 200 Index, Gross total return
- GLOBAL EQUITIES MSCI World ex-Australia Index, Investible Market Index, Gross total return
- LISTED PROPERTY MSCI Australia Core REIT Index, Investible Market Index, Gross total return & Price-to-book-value ratio
- FIXED INCOME J.P. Morgan, Government Bond Index Australia, Unhedged, 7-10 Years, AUD, Total return
- CASH Reserve Bank of Australia, Retail deposit and investment rates, Banks' term deposits (\$10000), Average rate (all terms)
- DIRECT PROPERTY The Property Council/IPD Australian All Property Index, Total income and capital return & Valuer capitalisation rate
- COMMENTARY Provided by Zenith Investment Partners

DISCLAIMER

The information contained in this factsheet is general in nature and does not take into account your personal situation. You should consider whether the information is appropriate to your needs, and where appropriate, seek professional advice from a financial adviser. While care has been taken in the preparation of this factsheet none of the parties mentioned below accept any liability for its content.

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COMMENTARY

Australian direct property markets continue to perform strongly, delivering a total return of 11.7% for the 12 months to 30 June 2018. Income returns continue to be stable at 5.7% for the period, although investor demand continues to compress yields to a historical low. The structural nature of real estate as a strong generator of low volatility income continues to attract capital flows in an environment where low bond yields have kept spreads attractive.

COMMENTARY

Office markets have continued their strong run, delivering the highest level of capital growth (8.7%) and total returns (14.7%) for the 12 months to 30 June 2018. Capital growth levels have remained positive and generally in-excess of long-term trends. However, market momentum in terms of total returns has been mixed. Office markets continue to benefit from strong rental growth in key markets. Industrial has benefited from renewed interest from e-commerce and last mile logistics, while retail weakened in the face of concerns around e-tailing.

COMMENTARY

Demand continues to drive capitalisation rates to cyclical lows. Although spreads between the official cash rate and property yields remain elevated, room for further material compression may be limited in the absence of strong rental growth. Retail capitalisation rates experienced the most compression over the last 12 months (-0.36%) driven by continued interest in high quality sub-regional shopping centres and neighbourhood centres with high levels of exposure to non-discretionary spending.