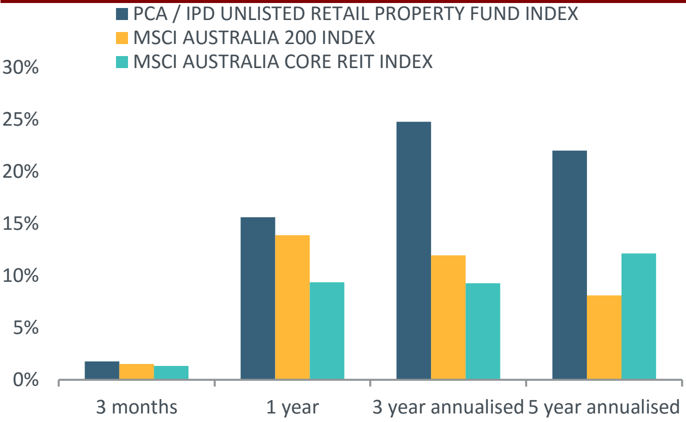
PROPERTY INVESTMENT FACTSHEET - SEPTEMBER 2018

Unlisted Funds

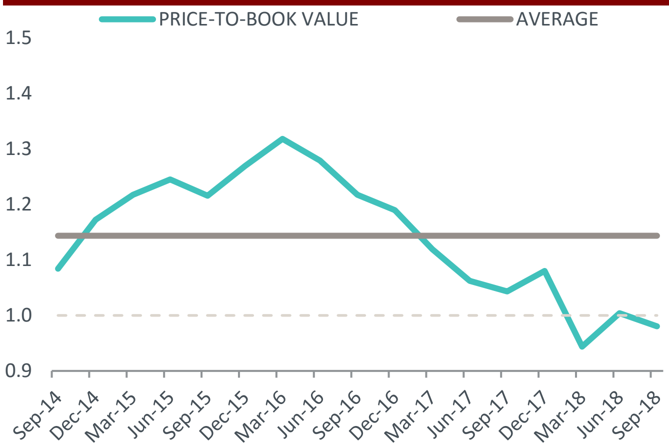
UNLISTED PROPERTY VS. EQUITIES PERIODS TO SEPTEMBER 2018



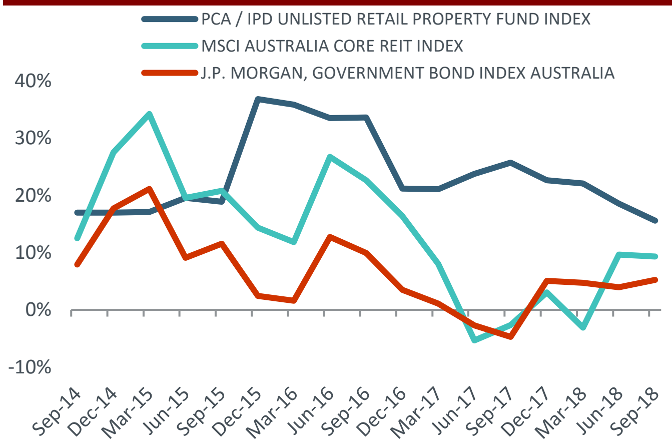
COMMENTARY

The 12 months to 30 September 2018 ended strongly for Australian equity markets (+13.9%) and A-REITs (+9.3%). Despite a continuing backdrop of local and global headwinds, attractive dividend yields, controlled debt levels and stable earnings continue to be broadly supportive for REITs, although A-REIT Price-to-Book ratios have continued to range lower from the highs reached in 2016. Australian unlisted property funds continued to perform strongly, with a total return of 15.6% for the year. The low cash rate environment continues to underpin momentum for 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 SEPTEMBER 2014 TO SEPTEMBER 2018



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



DETAILED INVESTMENT TYPE COMPARISON

DATE (12 MONTHS TO)	Unlisted Property PCA / IPD UNLISTED RETAIL PROPERTY FUND INDEX	Listed Property MSCI AUSTRALIA CORE REIT INDEX	Australian Equities MSCI AUSTRALIA 200 INDEX	Global Equities MSCI WORLD ex AUSTRALIA INDEX	Fixed income J.P. MORGAN, GOVERNMENT BOND INDEX AUSTRALIA	Cash AUSTRALIAN BANKS' TERM DEPOSITS AVERAGE RATE
Sep-14	17.0%	12.5%	6.0%	15.4%	7.9%	3.0%
Sep-15	18.9%	20.8%	-0.8%	0.3%	11.6%	2.4%
Sep-16	33.6%	22.6%	13.0%	11.4%	10.0%	2.2%
Sep-17	25.8%	-2.7%	9.1%	19.0%	-4.7%	2.0%
Sep-18	15.6%	9.3%	13.9%	12.7%	5.3%	2.0%
5 year annualised	22.0%	12.1%	8.1%	11.6%	5.8%	2.3%
Standard deviation	8.1%	10.4%	9.5%	7.4%	7.0%	0.2%

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

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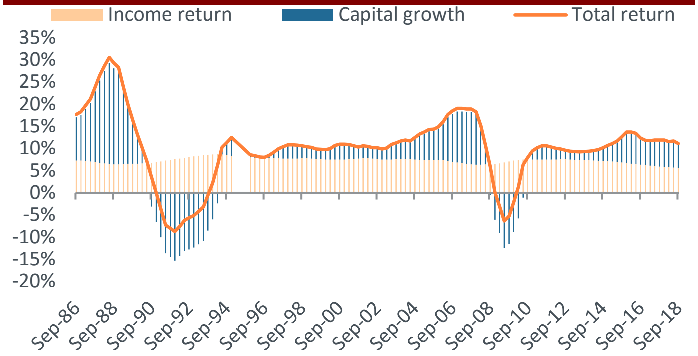
PROPERTY INVESTMENT FACTSHEET - SEPTEMBER 2018

Direct Property

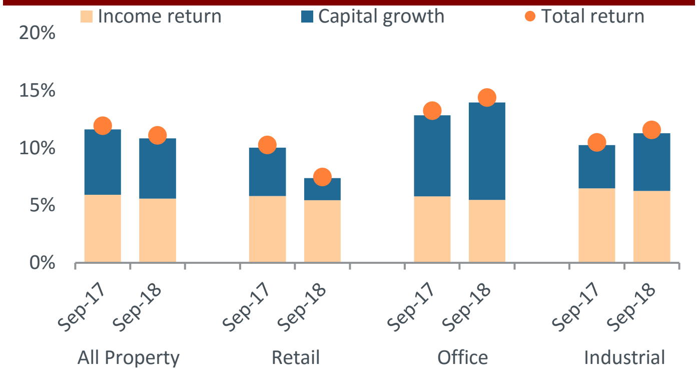
DIRECT PROPERTY INVESTMENT RETURNS SEPTEMBER 1986 TO SEPTEMBER 2018



COMMENTARY

Australian direct property markets continue to perform strongly, delivering a total return of 11.1% for the 12 months to 30 September 2018. Income returns continue to be stable at 5.6% for the period, although investor demand continues to compress yields to historic lows. 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 yield spreads attractive.

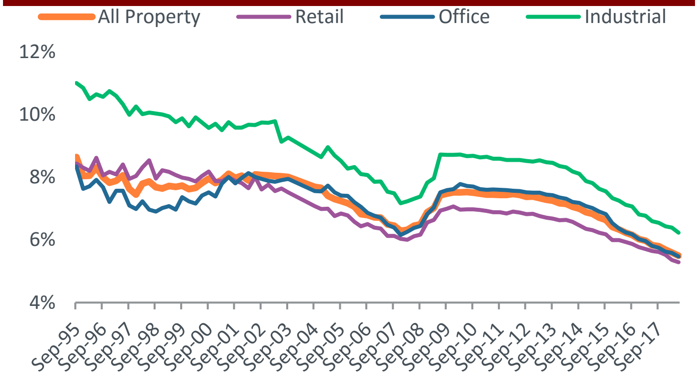
INCOME & CAPITAL RETURN FOR DIRECT PROPERTY 12 MONTHS TO SEPTEMBER 2017 AND SEPTEMBER 2018



COMMENTARY

Office markets continued their strong performance, delivering capital growth of 8.5% and total returns of 14.4% for the 12 months to 30 September 2018. While capital growth has remained positive and in-excess of long-term trends, momentum is mixed. Office markets continue to benefit from strong rental growth in key markets while growth in e-commerce continues to drive up demand for modern logistics facilities. Retail outside strong destination centres continues to face headwinds from the triple threat of nimble international retailers, competition from online retailers and high rental costs.

DIRECT PROPERTY CAP RATES PER SECTOR SEPTEMBER 1995 TO SEPTEMBER 2018



COMMENTARY

Strong demand continues to drive capitalisation rates to historic 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 (-0.46%) driven by continued interest in high quality sub-regional shopping centres and neighbourhood centres with high levels of exposure to non-discretionary spending. However, retail outside strong destination centres continues to face headwinds.

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

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MSCI

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