SGH
SG HISCOCK & COMPANY

SG Hiscock Property Fund — 31 March 2022

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 costs[1]	0.78% p.a.	**Sell spread**	-0.25%
Minimum initial investment	$10,000	**Investment pool size**	$25.34million

Unit Prices **31 March 2022**	**Application**	**Withdrawal**
	$0.9084	$0.9038

Performance[2] **31 March 2022**	**1 mth %**	**Qtr %**	**6 mths %**	**1 yr %**	**3 yrs % p.a.**	**5 yrs % p.a.**	**Inception % p.a.**
Distribution Return	0.42	0.39	1.51	3.55	3.16	3.65	7.81
Growth Return	1.33	-3.97	1.81	11.83	-1.00	-0.54	-0.62
Total Net Return	1.74	-3.57	3.32	15.38	2.16	3.10	7.19
S&P/ASX 200 A-REIT Accum. Index	1.24	-7.10	2.26	17.74	5.14	7.80	7.71

Past performance is not a reliable indicator of future performance.

Top 5 holdings
Goodman Group
Scentre Group
Stockland Stapled
Vicinity Centres
GPT Group

Top 5 holdings represent 63.0% of the total Fund.

Distribution Period	**Cents per Unit**
30-Jun-21	1.06
30-Sep-21	0.40
31-Dec-21	1.01
31-Mar-22	0.38

Asset Allocation	
Australian REITS	99.40%
Cash	0.60%

Professional Planner | Zenith FUND AWARDS 2018 Finalist

Source: Fidante Partners Limited 31 March 2022.

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 rose 1.2% in March. The ramifications of the war in Ukraine are adding further pressures to the global supply chain.

The ten-year bond yield launched 70 bps to 2.84%. Real interest rates by comparison "only" jumped 51 bps but moved firmly into positive territory, finishing at 34 bps. The difference between the nominal and real yield derives the implied inflation expectations, which saw a 20 bps shift up to 2.50%. Similar moves were also witnessed globally, as the interest rate hiking cycle gathers momentum, to deal with the still escalating inflationary pressures.

The Australian dollar rose another two cents in March, finishing just shy of US$0.75. Once again, the strength of the commodities constituents greatly assisted, with Australia more generally being a relative haven globally.

Global REITs outperformed the AREITs, generating 4.7% in returns primarily driven by strong performance of US REITs. The general market (via the S&P/ASX 200 Accumulation Index) outperformed both the AREITs and Global REITs once more, delivering 6.9%, as Australia's commodity-heavy and banking sector bias on the ASX saw it outperform the present market environment.

Top Contributors to the Portfolio Return:

Month	Return %	Comment
Peet Limited	11.4	Presented their recently released, strong half-year results at the Euroz Hartley's Rottnest Conference. Enquiries are expected to lift further from already strong levels, given the reopening of the WA border. The off-benchmark holding contributed to relative performance.
Vicinity Centres	3.7	No news-flow for the month. As trading conditions continue to improve and exceed pre-pandemic levels for the most part (ex-CBDs) alongside the removal of social distancing policies, sentiment towards the retail landlords with exposure to discretionary retail continues to recover. The overweight holding contributed to relative performance.
Mirvac Group	-3.9	No news-flow for the month. The Group has a large development pipeline across built-form residential and office it is looking to execute, as the interest rate and inflationary environment continues to lift. The underweight holding contributed to relative performance.

Negative Contributors to the Portfolio Return:

Month	Return %	Comment
Goodman Group	3.0	No news-flow for the month. Despite the lift in bond yields, the Group still managed to eke out a positive gain, even as the majority of its earnings are derived from developments and funds management, two business units that have been reliant on a low interest rate environment. The underweight holding detracted from relative performance.
Charter Hall Long WALE REIT	5.0	Was quoted on an ex-distribution basis for a 7.63 cps quarterly distribution. The underweight holding detracted from relative performance.
National Storage	4.6	Benefits from the positive investor sentiment towards self-storage currently. This is predicated on the continued improvement across Australasia and NZ in occupancy, rate per sqm and Revenue Per Available Square Meter (RevPAM). The underweight holding detracted from relative performance.