

### Fund Description

The Fund invests in a diversified group of specialist property managers. These fund managers invest in property trusts and other property securities (where underlying assets are properties or property related businesses) predominantly listed on the Australian Stock Exchange. Property investments are capable of providing attractive levels of income with a small amount of growth in the value of capital invested. Listed property trusts have generally been found to deliver returns that are on average below the returns from shares, but which also tend to exhibit lower variance in price during share market declines.

Property sectors include commercial, retail, tourism and residential property. Companies include property investment, development, contracting, tourism and leisure activities.

It is recommended that investors in this Fund should plan to hold their investments for at least four to six years. Investment in this sector can be volatile over the short-term.

**Fund Classification**      Core/Diversified      **Sector**      Specialist/Satellite

### Manager Commentary

The S&P/ASX 200 A-REIT Accumulation Index and the S&P/ASX 300 A-REIT Accumulation Index rose strongly in April, gaining 4.5% and 4.3% respectively and out-performed the broader market, which gained around 3.8%.

From a macro level, the outperformance of the property sector during the month was ahead of expectations, given that the 10-year Australian Government bond yields reverted from the month before with a rise of around 17 basis points. The rally of the property sector in April only pared previous months' losses for the calendar year to April. The property sector continues to trade at a small discount to net tangible asset backing as at the end of the month.

The Fund under-performed the index in April, with both the Fund's active managers detracting from fund performance. Over the rolling year, the Fund out-performed the index by 2.1% with a gain of 3.1%. The recent reporting season confirmed some market participants' views that the capitalisation rates used by property valuers may not have fully reflected the upside pressure from recent market transactions. This could support the property market over the near term. However, the prospect of higher levels of global growth, and potentially higher interest rates, could cause interest rate sensitive sectors such as property to potentially under-perform for a time.

### Fund Performance and Risk Analytics Summary



Current Period Return (net of fees as at 30 April 2018)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
<b>Fund</b>	<b>3.7%</b>	<b>0.8%</b>	<b>2.9%</b>	<b>3.1%</b>	<b>8.3%</b>	<b>10.4%</b>	<b>4.3%</b>
Index	4.5%	1.1%	3.2%	1.0%	7.3%	9.8%	3.2%
Excess	-0.7%	-0.3%	-0.3%	2.1%	1.0%	0.6%	1.0%

### Risk Exposure

	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
<b>Fund Volatility (Std Dev %)</b>	<b>8.7%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>17.2%</b>
Benchmark Index (Std Dev %)	9.8%	12.4%	12.6%	18.0%
Beta	0.91	0.91	0.92	0.99
Tracking Error (% pa)	1.8%	2.2%	2.1%	2.9%

### Calendar Year return (net of fees)

	2010	2011	2012	2013	2014	2015	2016	2017
<b>Fund</b>	<b>1.2%</b>	<b>-1.1%</b>	<b>34.5%</b>	<b>7.4%</b>	<b>26.7%</b>	<b>14.4%</b>	<b>12.0%</b>	<b>9.4%</b>
Index	-0.4%	-1.5%	33.0%	7.1%	27.0%	14.3%	13.2%	5.7%
Excess	+1.6%	+0.4%	+1.5%	+0.3%	-0.4%	+0.1%	-1.1%	+3.7%

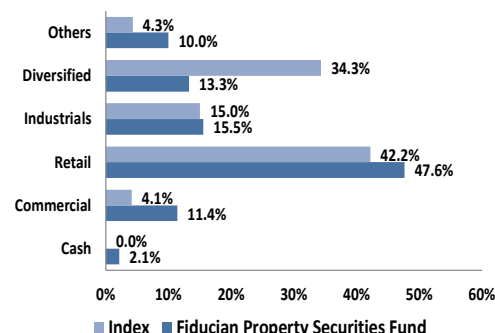
### Fund Facts

**Portfolio Manager:** Conrad Burge  
**Asset Sector:** Listed Property Securities  
**Asset Code:** PS1  
**ARSN:** 093 544 079  
**APIR Code:** FPS0007AU  
**Benchmark:** S&P/ASX 200 Property  
**Inception Date:** March 1997  
**Fund Size:** \$117.1 million as at 30 April 2018  
**Application/Exit Fee:** Nil  
**Management Fee:** 1.03%

### Style Tilts

Managers	Style	No. of Stocks	Weight
BlackRock Investment Management	Index	N/A	15%
Principal Global Investors	GARP	21	28%
Phoenix Capital	Sector Neutral	49	55%
Cash			2%

### Sector Weights



### Top Holdings

Stocks	Weight
SCENTRE GROUP	16.7%
WESTFIELD CORPORATION	14.0%
GOODMAN GROUP	8.6%
VICINITY CENTRES	7.2%
GPT GROUP	6.7%
MIRVAC GROUP	5.7%
STOCKLAND	5.2%
CHARTER HALL LIMITED	4.7%
DEXUS	4.3%
PROPERTYLINK GROUP	2.8%
INVESTA OFFICE FUND	2.0%
MACQUARIE ATLAS ROADS GR	1.6%
CROMWELL PROPERTY GROUP	1.3%
FOLKSTONE LIMITED	1.3%
ARENA REIT	1.1%
<b>Total</b>	<b>83.1%</b>

The above are security holdings in the actively managed holdings only (index fund holdings are not included).