

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
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Manager Commentary

The S&P/ASX 200 A-REIT Accumulation Index and the S&P/ASX 300 A-REIT Accumulation Index continued their solid run in May, gaining 3.1% and 3.0% respectively and out-performed the broader market, which gained around 1.2%.

The month marked significant changes to the makeup of the Australian property landscape, with Westfield Corp's (WFD) transaction with Unibail-Rodamco (URW) being consummated by both groups of shareholders. Office stocks were the strongest sub-sector in May, led higher by Investa Office Fund (IOF) after it received yet another takeover bid. It was also a solid month for retail names excluding WFD, as some money was likely redeployed across the index

The Fund under-performed the index in May, with both the Fund's active managers detracting from fund performance. Over the rolling year, however, the Fund out-performed the index by 1.3% with a gain of 6.5%. 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 31 May 2018)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
Fund	2.6%	6.3%	0.9%	6.5%	8.5%	11.8%	5.5%
Index	3.1%	7.8%	1.0%	5.3%	7.4%	11.3%	4.5%
Excess	-0.4%	-1.4%	-0.2%	1.3%	1.1%	0.4%	0.9%

Risk Exposure

	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
Fund Volatility (Std Dev %)	8.7%	11.0%	11.0%	17.2%
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
Fund	1.2%	-1.1%	34.5%	7.4%	26.7%	14.4%	12.0%	9.4%
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%

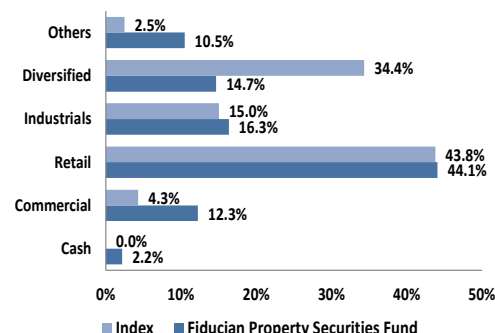
Fund Facts

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:	\$120.4 million as at 31 May 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	16.9%
GOODMAN GROUP	9.1%
UNIBAIL-RODAMCO-WTFIELD-CDI	7.6%
GPT GROUP	7.3%
DEXUS	5.8%
MIRVAC GROUP	5.5%
STOCKLAND	5.3%
CHARTER HALL LIMITED	4.9%
PROPERTYLINK GROUP	2.7%
INVESTA OFFICE FUND	2.0%
ATLAS ARTERIA LTD	1.6%
FOLKSTONE LIMITED	1.4%
CROMWELL PROPERTY GROUP	1.2%
ARENA REIT	1.1%
SYDNEY AIRPORT	1.0%
Total	73.5%

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