



SG HISCOCK & COMPANY

SG Hiscock Property Opportunities Fund

30 April 2021

Investment Objective	To outperform its benchmark, the S&P/ASX 300 A-REIT Accumulation Index, over rolling three-year periods, while providing investors with a quarterly income stream and some capital growth over the medium term (at least three years).		
Investments held	The Fund invests in a diversified portfolio of listed property and property-related securities. The fund can invest up to 20% in global property securities.		
Investment Manager	SG Hiscock & Company Limited		
APIR	HBC0008AU		
Commencement	30 September 1994	Buy spread	+0.25%
Management costs¹	0.85% p.a.	Sell spread	-0.25%
Minimum initial investment	\$10,000	Investment pool size	\$38.38 million

Unit Prices	Application	Withdrawal
30 April 2021	\$0.7584	\$0.7546

Performance²	1 mth %	Qtr %	6 mths %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	Inception % p.a.
30 April 2021							
Distribution Return	0.00	0.03	1.39	1.51	3.61	4.27	8.10
Growth Return	1.92	5.10	17.81	28.33	-3.72	-2.17	-1.01
Total Net Return	1.92	5.13	19.20	29.85	-0.11	2.10	7.09
S&P/ASX 300 A-REIT Accum. Index	3.08	6.86	16.40	31.81	7.51	6.02	7.92

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 60.81% of the total Fund.

Asset Allocation	
Australian REITS	99.39%
International	0.00%
Cash	0.61%

Distribution Period	Cents per Unit
30-Jun-20	0.00
30-Sep-20	0.00
31-Dec-20	0.86
31-Mar-21	0.02



Source: Fidante Partners Limited, 30 April 2021

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 300 AREIT Accumulation Index delivered 3.1% in April, while the Ten-Year Bond Yield remaining relatively unchanged in the mid-1.7% level. Real Interest Rates materially dropped to negative 50 bps. Despite the lower CPI print during the month, the Implied Inflation Expectations rose again, to 2.26%. Placing this into perspective, heading into 2021, the Ten-Year Bond Yield was sub-1%, Real Interest Rates were negative 80 bps, with Implied Inflation in the mid-1.7% range.

The AREIT sector continued to underperform the Global REITs, which returned 5.7% in April. Global REITs enhanced exposure to Alternative Real Estate sectors has been delivering the outperformance in recent times, as Investors shun the more established real estate sectors due to lingering concerns on the Income Line (Office and Retail) along with the toppy pricing in Industrial. Domestically, the general market (via the S&P/ASX 300 Accumulation Index) returned 3.7% for the month.

Top Contributors to the Portfolio Return:

Month	Return %	Comment
Peet Limited	7.0	Aside from movements in Substantial Shareholder Notices, Peet also announced the upcoming Interest Payment on their PPCHB Notes of \$1.1552 per Note. The Off-Benchmark position contributed to the portfolio's performance.
Stockland	6.4	Provided a quarterly update, illustrating the strong momentum continuing in their Residential business. Post the end of HomeBuilder, Enquiry levels remain elevated. Retail displayed solid Comparable Sales Growth of 3.2%, with Rent Collection up to 94%. The Overweight position contributed to portfolio performance.
Abacus Property Group	7.8	Acquired a further four Self Storage assets for \$44.2 million, where the average Occupancy is 91.5%. The Group also purchased the remaining 60% interest of The Oasis Centre, Broadbeach, from KKR, for \$103.5 million, reflecting a 7.3% Yield. The portfolio's Overweight position contributed to relative performance.



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Negative Contributors to the Portfolio Return:

Month	Return %	Comment
Vicinity Centres	-4.2	No news-flow, although media reports suggest that its joint-venture partners of Myer Melbourne – GIC and Nuveen – are looking to dispose of their respective one-third interests in the asset. Vicinity has first rights over these stakes., given they hold the remaining third. The Overweight position detracted from portfolio performance.
Scentre Group	-3.5	At their AGM, the Adoption of the Remuneration Report was not carried. The Overweight position detracted from portfolio performance.
Charter Hall Group	8.7	Upgraded their Earnings Guidance for FY21 from 55 cps to 57 cps. The portfolio's Underweight position detracted from relative performance.

For more information visit www.sghiscock.com.au

This material has been prepared by SG Hiscock & Company Limited ABN 51 097 263 628, AFSL 240 679 (SG Hiscock), the investment manager of SG Hiscock Property Opportunities Fund. Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (Fidante), is the responsible entity of the Fund. Other than information which is identified as sourced from Fidante in relation to the Fund, Fidante is not responsible for the information in this material, including any statements of opinion. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The PDS for the Fund, issued by Fidante, should be considered before deciding whether to acquire or hold units in the Fund. The PDS can be obtained by calling 13 51 53 or visiting www.fidante.com. Neither Fidante nor any of its respective related bodies corporate guarantees the performance of the Fund, any particular rate of return or return of capital. Past performance is not a reliable indicator of future performance. SG Hiscock and Fidante have entered into arrangements in connection with the distribution and administration of financial products to which this material relates. In connection with those arrangements, SG Hiscock and Fidante may receive remuneration or other benefits in respect of financial services provided by the parties.