

SG Hiscock Property Fund

31 January 2024

Performance¹	Total Net Return	Income Return	Growth Return	ASX 200 A-REIT Accum.
1 month (%)	1.37	0.00	1.37	1.31
3 month (%)	25.05	1.06	23.99	25.40
6 month (%)	10.30	1.76	8.54	10.39
1 year (%)	9.91	4.55	5.36	10.18
3 years (% p.a.)	8.09	3.68	4.41	7.60
5 years (% p.a.)	3.31	3.38	-0.07	5.09
Inception (% p.a.)	6.95	7.57	-0.63	7.29

¹Income 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.

Past performance is not a reliable indicator of future performance. Source: Fidante Partners Limited.

Investment objective

To outperform its benchmark, the S&P/ASX 200 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.

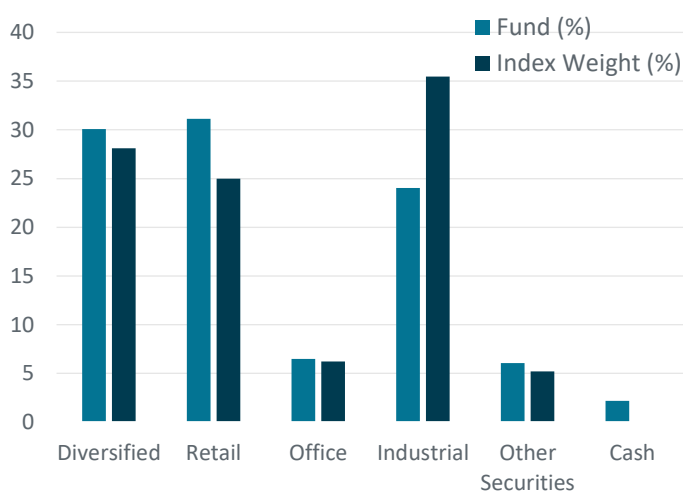
Key Facts

Investment manager	SG Hiscock & Company Ltd.
Inception date	31 Dec 1993
Benchmark	S&P/ASX 200 A-REIT Accum. Index
Management fees ²	0.78%
Fund size	\$17.2M
Number of holdings	22
Distributions	Quarterly
Buy/sell spread	+0.25/ -0.25%
Minimum initial investment	\$10,000
Base currency	AUD
APIR	CRS0007AU
SIV	Compliant
mFund code	n/a
Domicile	Australia
	Unit price
Application	\$0.8924
Withdrawal	\$0.8880
	Distribution cpu
31-Dec-22	0.46
31-Mar-23	0.61
30-Jun-23	1.45
30-Sep-23	0.57
31-Dec-23	0.75

² Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").

Asset Allocation

End of month	Fund (%)	Index Weight (%)
Diversified	30.09	28.11
Retail	31.13	25.00
Office	6.50	6.21
Industrial	24.04	35.48
Other Securities	6.05	5.19
Cash	2.18	0.00
Total	100	100



Source: SG Hiscock & Company Limited

Top 5 Holdings
Goodman Group
Scentre Group
Stockland Stapled
Vicinity Centres
Mirvac Group

Top 5 Contributors ^
Arena REIT
Stockland Stapled
Charter Hall Education Trust
BWP Trust
Scentre Group

Top 5 Detractors v
Peet Ltd
HomeCo Daily Needs REIT
Mirvac Group
Centuria Capital Group
Centuria Office REIT

Top 5 holdings represent 66.64% of the total Fund.

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”).
- Following the stellar performance in through the months of November and December AREITs had a more modest month with the S&P/ASX 200 AREIT Accumulation Index returning 1.3%.
 - At the start of January, the market had been building in close to 150 bps of rate cuts in the US. This contrasts with commentary from Federal governor Christopher Waller during January indicating that the Fed’s projections for three cuts this year was appropriate and no need to hurry. Consequently, the market marginally recalibrated interest rate cut expectations, while remaining more dovish than the Federal Reserve, with broadly double the quantum of cuts over 2024.
 - While the RBA has not articulated the potential for rate currents the Australian market has built in relatively benign expectations.

Top Contributors to the Portfolio Return:

Month	Return %	Comment
Arena REIT	-3.5	No announcements of note over the month. The portfolio's underweight position contributed to relative performance.
Stockland	2.5	There was no further meaningful news flow post the acquisition of Lendlease's Master Planned Communities business in December, which has assisted positive earnings revisions from 2025 onwards. The portfolio's overweight position contributed to relative performance.
Charter Hall Social Infrastructure	-7.0	There was no news flow over the month. Charter Hall Social Infrastructure had a very strong performance in the prior month of December returning 15%. The portfolio's underweight position contributed to relative performance.

Negative Contributors to the Portfolio Return:

Month	Return %	Comment
Peet Limited	-2.8	There were no announcements during the month. There was also an absence of buyback activity from the group, which featured in prior months. The portfolio's off benchmark position detracted from relative performance.
HomeCo Daily Needs REIT	4.1	No news flow of significance for the month. The portfolio's underweight position detracted from relative performance.
Mirvac Group	3.8	No announcements over the month. The portfolio's underweight position detracted from relative performance.

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Disclaimer: This material has been prepared by SG Hiscock & Company Limited (ABN 51 097 263 628, AFSL 240679) SG Hiscock, the investment manager of the SG Hiscock Property Fund. Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (Fidante) is a member of the Challenger Limited group of companies (Challenger Group) and 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 to your circumstances. The Fund's Target Market Determination and Product Disclosure Statement (PDS) available at www.fidante.com should be considered before making a decision about whether to buy or hold units in the Fund. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. 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. Fidante is not an authorised deposit-taking institution (ADI) for the purpose of the Banking Act 1959 (Cth), and its obligations do not represent deposits or liabilities of an ADI in the Challenger Group (Challenger ADI) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Fidante. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group.

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