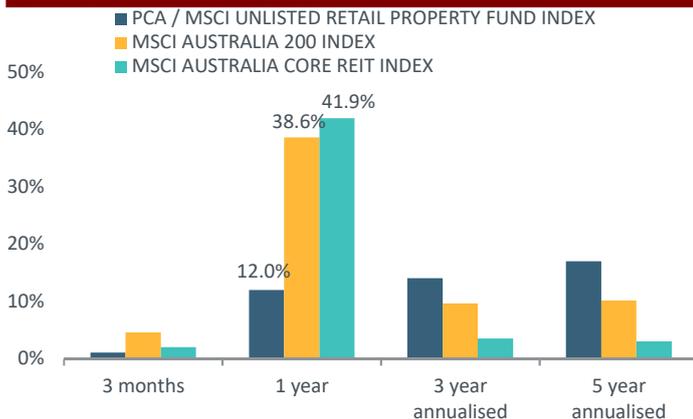


PROPERTY INVESTMENT FACTSHEET - MARCH 2021

Unlisted Funds

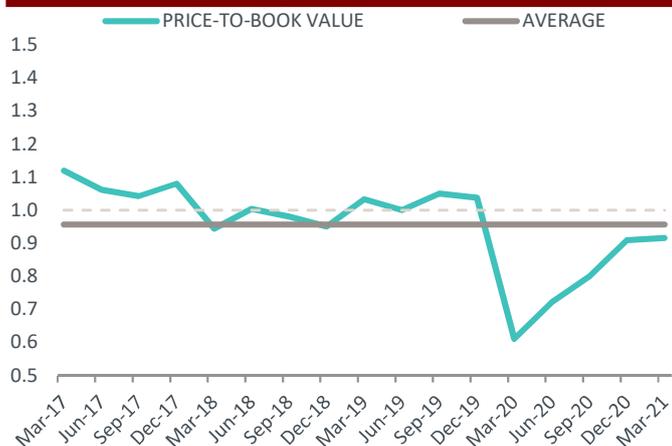
UNLISTED PROPERTY VS. EQUITIES RETURNS PERIODS TO MARCH 2021



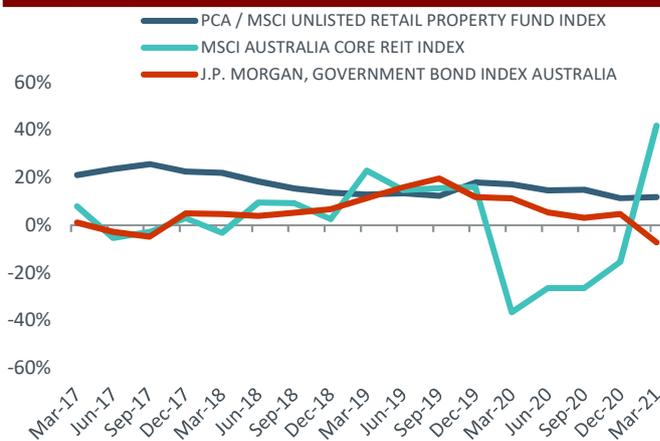
COMMENTARY

Public markets delivered an impressive turnaround in the 12 months to 31 March 2021 on the back of the rollout of vaccines, encouraging GDP growth, continued decreases in unemployment and strong retail consumption. Ongoing accommodative monetary policy also contributed to market strength with Australian equities returning 38.6% for the period. A-REITs, as represented by the index, outperformed domestic equities, returning 41.9%. Australian unlisted property funds generated a total return of 12.0% over the period, with its robustness underpinned by a relatively low exposure to discretionary retail.

LISTED PROPERTY: PRICE TO BOOK VALUE MARCH 2017 TO MARCH 2021



FIXED INCOME, UNLISTED & LISTED PROPERTY MARCH 2017 TO MARCH 2021



DETAILED INVESTMENT TYPE COMPARISON

DATE (12 MONTHS TO)	Unlisted Property	Listed Property	Australian Equities	Global Equities	Fixed income	Cash
	PCA / MSCI UNLISTED RETAIL PROPERTY FUND INDEX	MSCI AUSTRALIA CORE REIT INDEX	MSCI AUSTRALIA 200 INDEX	MSCI WORLD ex AUSTRALIA INDEX	J.P. MORGAN, GOVERNMENT BOND INDEX AUSTRALIA	AUSTRALIAN BANKS' TERM DEPOSITS AVERAGE RATE
Mar-17	21.1%	8.0%	20.5%	18.2%	1.1%	2.1%
Mar-18	22.1%	-3.1%	2.1%	11.0%	4.7%	2.0%
Mar-19	12.9%	23.1%	12.4%	6.4%	11.3%	2.0%
Mar-20	17.2%	-36.5%	-15.4%	-10.5%	11.3%	1.3%
Mar-21	12.0%	41.9%	38.6%	54.6%	-7.2%	0.5%
5 year annualised	17.0%	3.0%	10.1%	14.0%	4.0%	1.6%
Standard deviation	5.6%	23.0%	17.2%	17.4%	7.2%	0.3%

Data sources: MSCI, RBA, Barclays Capital (see other side for more information)

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PROPERTY INVESTMENT FACTSHEET - Mar 2021

Direct Property

DIRECT PROPERTY INVESTMENT RETURNS MAR 1989 TO MAR 2021



COMMENTARY

Direct property markets continue to generate positive performance, albeit narrowly, delivering a total return of 1.7% for the 12 months to 31 March 2021. Yield spreads remain attractive with income returns of 4.6% for the year. Capital losses pulled back from the previous quarter (-4.6%) to -2.8%, driven by the large exposure to retail and to a lesser extent, office sectors. While real estate markets should continue to revitalise as COVID threats are diluted by vaccines and adherence to health controls, the balance between permanent and transitory changes remains unclear.

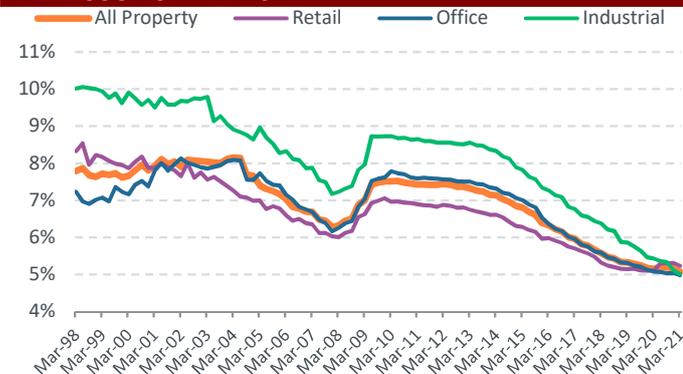
INCOME & CAPITAL RETURN FOR DIRECT PROPERTY 12 MONTHS TO MAR 2020 AND MAR 2021



COMMENTARY

Outlooks remain bifurcated both across and within sectors as transitions, adaptations and re-rating of risk flow through. Total returns for retail remained negative as discretionary centric centres remain challenged. Office challenges continue in the medium term as businesses innovate and space requirements remain uncertain, although quality space should retain the strongest demand. Industrial and logistics remains strong overall as the sector continues to benefit from elevated online retail penetration which has accelerated many of the longer-term secular trends in the sector.

DIRECT PROPERTY CAP RATES PER SECTOR MAR 1998 TO MAR 2021



COMMENTARY

With central banks pumping liquidity into markets, asset pricing generally remains elevated along with yield spreads and strong demand which is largely keeping capitalisation rates at historic lows for most markets. Rates for industrial and logistics again had the highest compression over the 12 months to 31 March 2021 (-0.42%) due to strong demand and limited supply. Office capitalisation rates also remained compressed albeit less strongly (-0.10%) and retail continues to expand (+0.14%). While Australia's recovery has been stronger than most countries outside the AsiaPac region, market sensitivity will remain a dominant theme in 2021.

DATA SOURCES -All results shown are accumulation indexes-

- UNLISTED PROPERTY The Property Council of Australia/MSCI Australia Unlisted Retail Quarterly Property Fund Index , Core funds, Pre-fee total return
- AUSTRALIAN EQUITIES MSCI Australia 200 Index, Gross total return
- GLOBAL EQUITIES MSCI World ex-Australia Index, Investible Market Index, Gross total return
- LISTED PROPERTY MSCI Australia Core REIT Index, Investible Market Index, Gross total return & Price-to-book-value ratio
- FIXED INCOME J.P. Morgan, Government Bond Index Australia, Unhedged, 7-10 Years, AUD, Total return
- CASH Reserve Bank of Australia, Retail deposit and investment rates, Banks' term deposits (\$10000), Average rate (all terms)
- DIRECT PROPERTY The Property Council/MSCI Australian All Property Index, Total income and capital return & Valuer capitalisation rate
- COMMENTARY Provided by Zenith Investment Partners

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