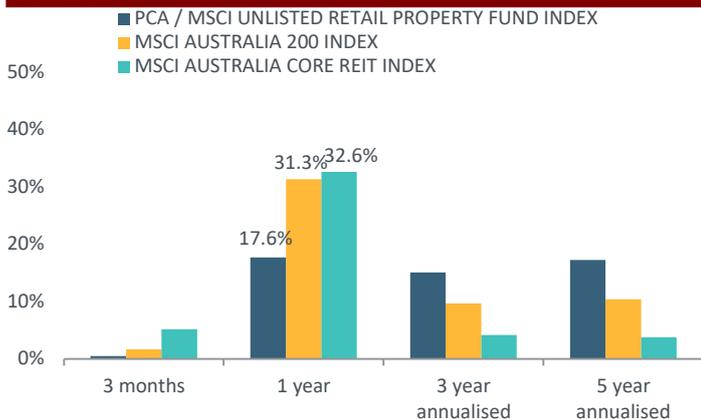


# PROPERTY INVESTMENT FACTSHEET - SEPTEMBER 2021

## Unlisted Funds

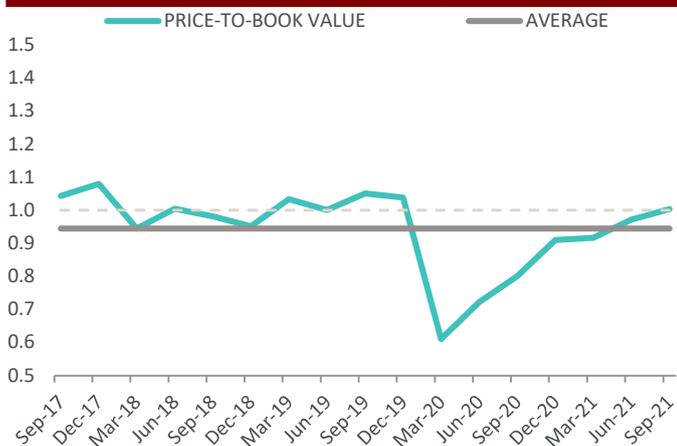
### UNLISTED PROPERTY VS. EQUITIES RETURNS PERIODS TO SEPTEMBER 2021



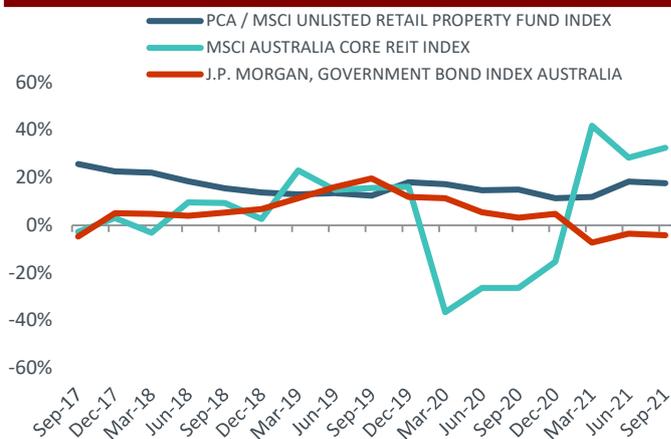
### COMMENTARY

Public markets extended their recovery in the 12 months to 30 September 2021, recouping losses from the beginning of the pandemic. With a backdrop of continued fiscal and monetary support and vaccine rollouts, performance has been underpinned by healthy recovery in corporate earnings. Australian equities returned 31.3% for the period. A-REITs, as represented by the index, performed in line with domestic equities, returning 32.6%. Australian unlisted property funds delivered 17.6% over the period, with its performance underpinned by tight cap rates and recovering rental incomes for COVID impacted assets.

### LISTED PROPERTY: PRICE TO BOOK VALUE SEPTEMBER 2017 TO SEPTEMBER 2021



### FIXED INCOME, UNLISTED & LISTED PROPERTY SEPTEMBER 2017 TO SEPTEMBER 2021



### DETAILED INVESTMENT TYPE COMPARISON

DATE (12 MONTHS TO)	Unlisted Property PCA / MSCI UNLISTED RETAIL PROPERTY FUND INDEX	Listed Property MSCI AUSTRALIA CORE REIT INDEX	Australian Equities MSCI AUSTRALIA 200 INDEX	Global Equities MSCI WORLD ex AUSTRALIA INDEX	Fixed income J.P. MORGAN, GOVERNMENT BOND INDEX AUSTRALIA	Cash AUSTRALIAN BANKS' TERM DEPOSITS AVERAGE RATE
Sep-17	25.8%	-2.7%	9.1%	19.0%	-4.7%	2.0%
Sep-18	15.6%	9.3%	13.9%	12.7%	5.3%	2.0%
Sep-19	12.5%	15.7%	13.0%	2.2%	19.7%	1.8%
Sep-20	15.0%	-26.4%	-11.2%	8.6%	3.2%	0.9%
Sep-21	17.6%	32.6%	31.3%	30.9%	-4.2%	0.2%
5 year annualised	17.2%	3.7%	10.3%	14.3%	3.5%	1.4%
Standard deviation	6.2%	22.8%	17.4%	17.5%	7.0%	0.4%

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

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# PROPERTY INVESTMENT FACTSHEET - SEPTEMBER 2021

## Direct Property

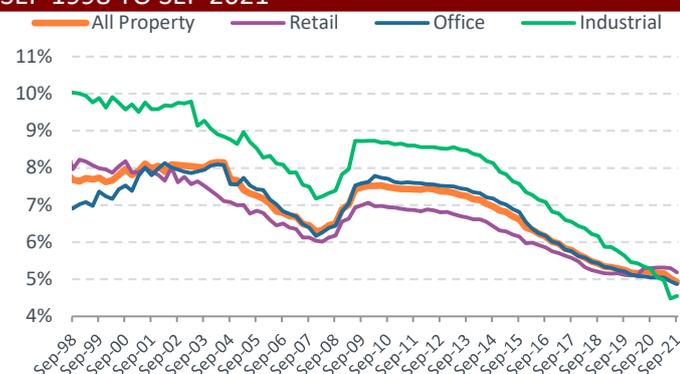
### DIRECT PROPERTY INVESTMENT RETURNS SEP 1989 TO SEP 2021



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



### DIRECT PROPERTY CAP RATES PER SECTOR SEP 1998 TO SEP 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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### COMMENTARY

Direct property markets continue to generate positive performance, delivering a total return of 8.9% for the 12 months to 30 September 2021. Income returns remain attractive comprising 4.9% for the year. Returns continue to be driven largely by the industrial and logistics sector with solid returns in office and a stabilisation of retail. Direct property continues to be supported by positive capital flows from both domestic and offshore investors and strongly positive yield spreads.

### COMMENTARY

The outlook for industrial and logistics remains strong, with capital growth underpinned by rising rents and continued local and international investor interest. Total returns for retail have been positive, supported by income yield with slight falls in capital values. With both NSW and Victoria coming out of lockdown, the outlook for discretionary centric centres improves, heading into the Christmas period. Despite return to the office delays due to Covid-19, office sector returns have been sound, with the strongest demand for higher quality assets.

### COMMENTARY

Asset pricing generally remains elevated with attractive yield spreads keeping capitalisation rates at historic lows for most markets. The continued compression of industrial and logistics capitalisation rates (-0.73% over the 12 months to September) sees the sector considerably tighter than the retail and office sectors. Over the same period, retail capitalisation rates have started to compress marginally (-0.11%) and office continues to strengthen (-0.18%).