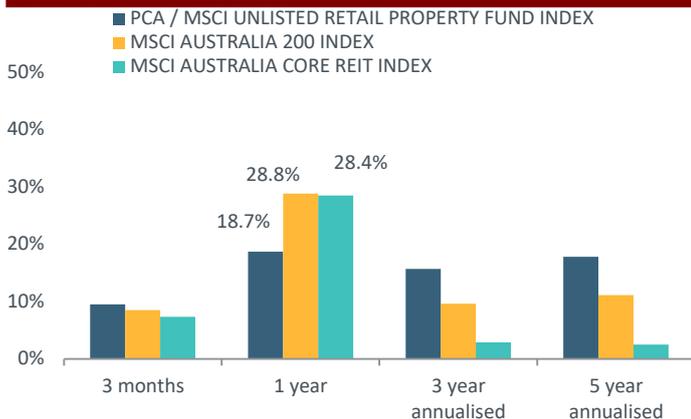


PROPERTY INVESTMENT FACTSHEET - JUNE 2021

Unlisted Funds

UNLISTED PROPERTY VS. EQUITIES RETURNS PERIODS TO JUNE 2021



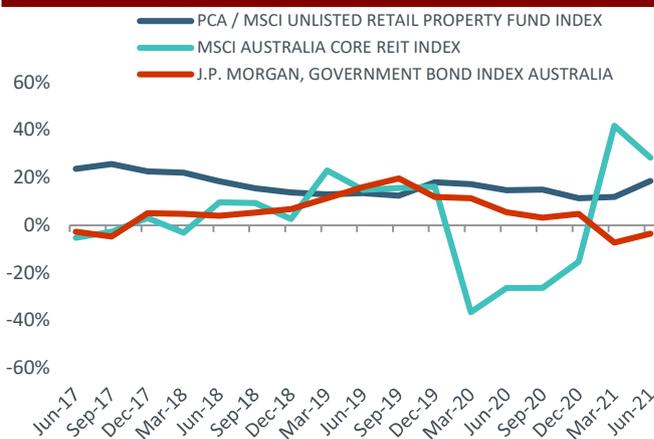
COMMENTARY

Public markets delivered an impressive turnaround in the 12 months to 30 June 2021 with very strong performance since the vaccine news broke in Q4 2020. With GDP growth, recovering unemployment and strong retail spending, the Australian economy was well positioned prior to the spread of the Delta variant. Australian equities returning 28.8% for the period. A-REITs, as represented by the index, performed in line with domestic equities, returning 28.4%. Australian unlisted property funds delivered 18.7% 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 JUNE 2017 TO JUNE 2021



FIXED INCOME, UNLISTED & LISTED PROPERTY JUNE 2017 TO JUNE 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
Jun-17	23.7%	-5.3%	13.8%	20.0%	-2.7%	2.1%
Jun-18	18.5%	9.7%	12.9%	11.9%	4.0%	2.0%
Jun-19	13.5%	14.9%	11.9%	5.9%	16.1%	1.9%
Jun-20	14.7%	-26.3%	-8.7%	3.1%	5.5%	1.0%
Jun-21	18.7%	28.4%	28.8%	39.2%	-3.6%	0.3%
5 year annualised	17.8%	2.4%	11.1%	15.3%	3.6%	1.5%
Standard deviation	6.1%	22.8%	17.4%	17.4%	7.0%	0.3%

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

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PROPERTY INVESTMENT FACTSHEET - JUNE 2021

Direct Property

DIRECT PROPERTY INVESTMENT RETURNS JUN 1989 TO JUN 2021



COMMENTARY

Direct property markets continue to generate positive performance, delivering a total return of 7.8% for the 12 months to 30 June 2021. Yield spreads remain attractive with income returns of 5.0% for the year. Prior capital losses have turned positive from the previous quarter (-2.4%) to 2.7%, driven largely by strong capital growth in industrial assets and a stabilisation of retail. Direct property continues to be supported by positive capital flows from both domestic and offshore investors.

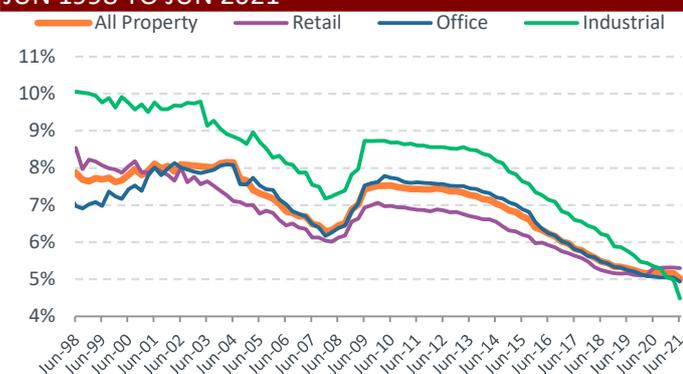
INCOME & CAPITAL RETURN FOR DIRECT PROPERTY 12 MONTHS TO JUN 2020 AND JUN 2021



COMMENTARY

Outlooks remain mixed both across and within sectors. Demand for industrial and logistics remains strong, with capital growth in assets underpinned by rental growth and Blackstone's \$A3.8b Milestone mega-transaction with ESR. Total returns for retail turned positive although with both NSW and Victoria both in lockdown the outlook for discretionary centric centres remains uncertain. Office challenges continue in the medium term as the previously expected return to office is delayed by Delta, that said, quality office space should retain the strongest demand.

DIRECT PROPERTY CAP RATES PER SECTOR JUN 1998 TO JUN 2021



COMMENTARY

With markets well supported by both monetary and fiscal policies, asset pricing generally remains elevated. Strong asset demand and attractive yield spreads is largely keeping capitalisation rates at historic lows for most markets. The continued compression of industrial and logistics capitalisation rates (-0.86% over the 12 months to June 21) sees the sector comfortably tighter than the retail and office sectors. Over the same period retail capitalisation rates remained largely the same and office compressed by -0.14%.

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

DISCLAIMER

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