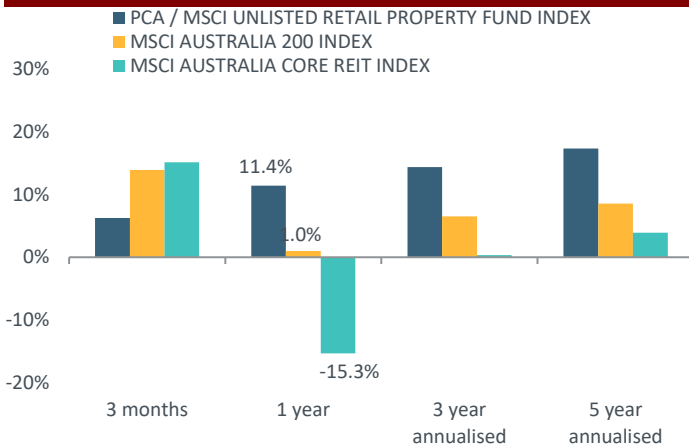


PROPERTY INVESTMENT FACTSHEET - DECEMBER 2020

Unlisted Funds

UNLISTED PROPERTY VS. EQUITIES RETURNS PERIODS TO DECEMBER 2020



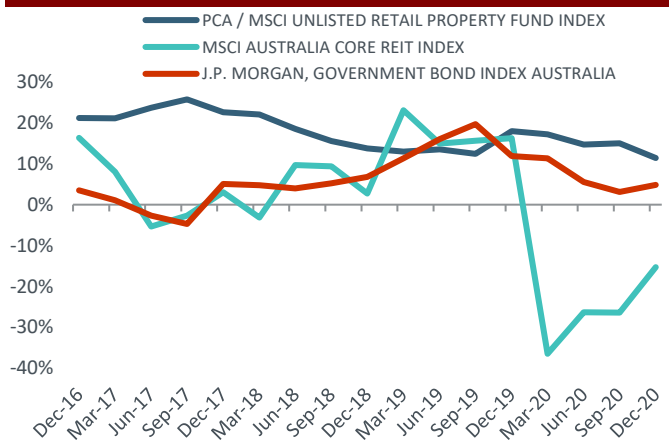
COMMENTARY

Australian equities finished 2020 flat as accommodative policies supported a swift rebound in the second half of the year. While the 12 months to 31 December 2020 saw equities return 1.0%, A-REITs failed to capture much of the recovery, delivering -15.3% as continuing uncertainty on earnings forecasts for large portions of the sector remain prevalent. Conversely, Australian unlisted property funds generated a total return of 11.4%. While a positive result, this represented a small pullback on previous data as revisions regarding critical metrics on vacancy rates, effective rents, capital expenditure and capitalisation rates flow through to valuations.

LISTED PROPERTY: PRICE TO BOOK VALUE DECEMBER 2016 TO DECEMBER 2020



FIXED INCOME, UNLISTED & LISTED PROPERTY DECEMBER 2016 TO DECEMBER 2020



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
Dec-16	21.2%	16.4%	12.0%	10.2%	3.5%	2.2%
Dec-17	22.6%	3.0%	11.5%	19.3%	5.1%	2.0%
Dec-18	13.8%	2.7%	-2.8%	-7.7%	6.8%	2.0%
Dec-19	18.0%	16.2%	23.1%	27.9%	11.9%	1.5%
Dec-20	11.4%	-15.3%	1.0%	14.2%	4.8%	0.7%
5 year annualised	17.3%	3.9%	8.6%	12.2%	6.4%	1.7%
Standard deviation	5.5%	23.1%	17.3%	17.5%	6.3%	0.3%

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

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PROPERTY INVESTMENT FACTSHEET - Dec 2020

Direct Property

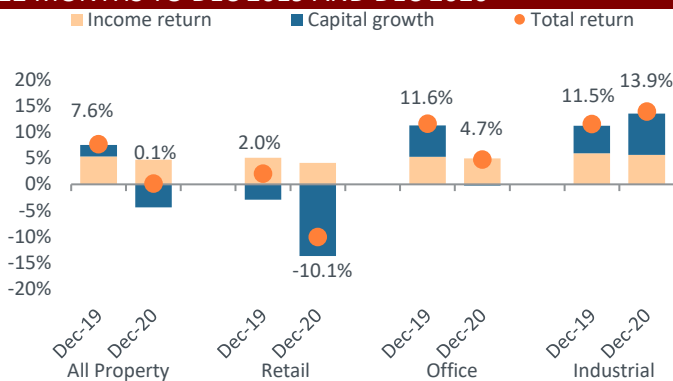
DIRECT PROPERTY INVESTMENT RETURNS DEC 1988 TO DEC 2020



COMMENTARY

Direct property markets again narrowly held on to positive performance, delivering a total return of 0.1% for the 12 months to 31 December 2020. While yield spreads remain attractive overall with income returns of 4.7% for the year, capital losses extended out to -4.4%, driven predominantly by the large exposure to retail and to a lesser extent, office sectors. While the deployment of COVID-19 vaccines has renewed optimism for the economic outlook, risks remain around the impact of tapering or removal of stimulus programs and its impact on real estate markets.

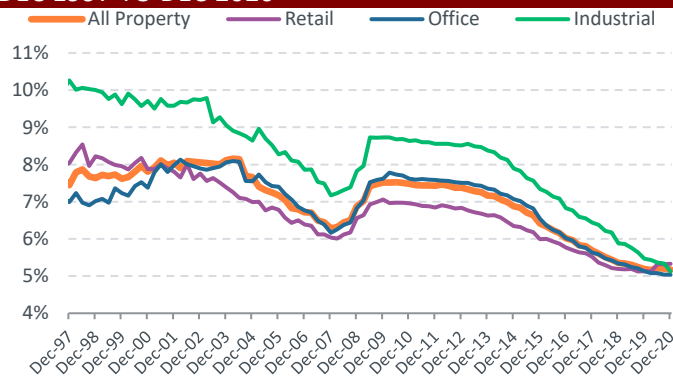
INCOME & CAPITAL RETURN FOR DIRECT PROPERTY 12 MONTHS TO DEC 2019 AND DEC 2020



COMMENTARY

Outlooks remain bifurcated both across and within sectors. Total returns for retail stayed negative as consumers remain cautious and retailer models evolve. Office challenges continue in the medium term as businesses innovate and space requirements remain uncertain, however, quality space is expected to retain the strongest demand. Industrial and logistics remains strong overall as the sector continues to benefit from elevated demand from online retail penetration during the pandemic, which has accelerated many of the longer-term secular trends in the sector.

DIRECT PROPERTY CAP RATES PER SECTOR DEC 1997 TO DEC 2020



COMMENTARY

Elevated yield spreads and strong demand have held capitalisation rates at historic lows for most markets. Rates for industrial and logistics again had the highest compression over the 12 months to 31 December 2020 (-0.34%) due to strong demand and limited supply. Office capitalisation rates also remained compressed albeit less strongly (0.09%) and retail continues to expand (+0.20%). While Australia has come through the pandemic in stronger shape than most countries outside the AsiaPac region, uncertainty 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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