

# Freehold Australian Property Fund

**FREEHOLD**  
Investment Management

May 2021 Investment Update

## OVERVIEW

An open-ended fund that provides quarterly tax effective income and long-term capital growth from a portfolio of direct and listed real estate and infrastructure, as well as select value-add and development opportunities.

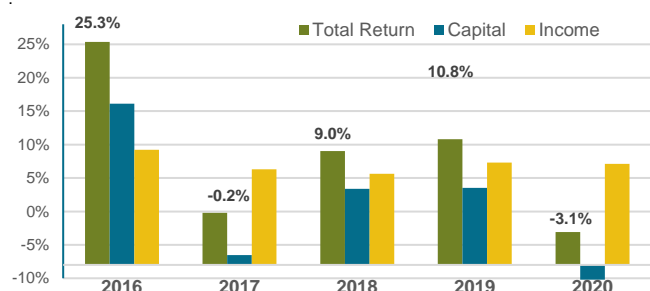
## Investment Performance

	Month	Quarter	1 Year	3 Years	5 Years	Since inception**
Freehold Australian Property Fund (net of fees)	0.0%	4.4%	11.9%	7.1%	6.0%	11.4%
A-REITs Index*	1.8%	11.5%	25.3%	7.1%	5.8%	12.1%
Listed Infrastructure Index*	(3.3%)	5.4%	(2.0%)	5.7%	6.0%	14.1%
Unlisted Property Index*	0.4%	1.9%	5.2%	4.0%	7.0%	8.3%

\*A-REITs Index is the S&P/ASX 300 AREIT Accumulation index; Listed Infrastructure Index is a subset of S&P/ASX 200 Index infrastructure sub industries, as defined by the Global Industry Classification Standard (GICS); Unlisted Property Index is the Mercer/IPD Australia Core Wholesale Property Fund Index

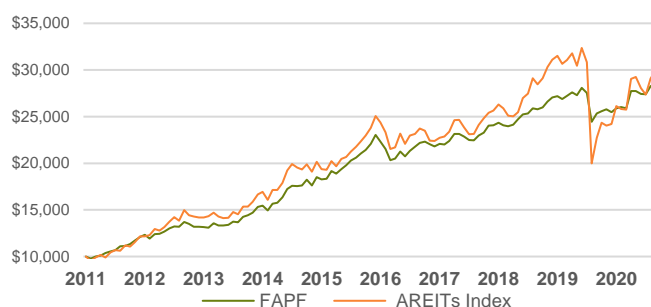
\*\* Freehold Australian Property inception date – effective 7 November 2011. Performance numbers are NET and assume reinvestment of distributions.

## Return Split by Financial Years

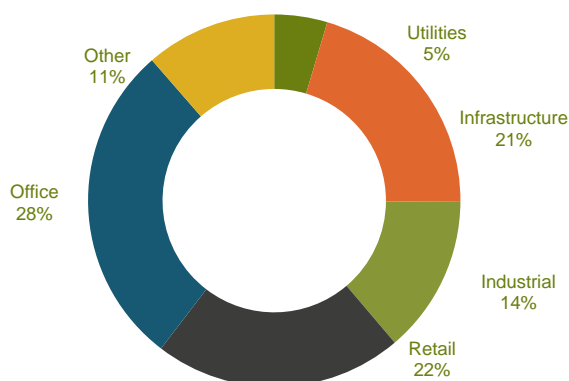


\*Income distribution include net realised capital gains

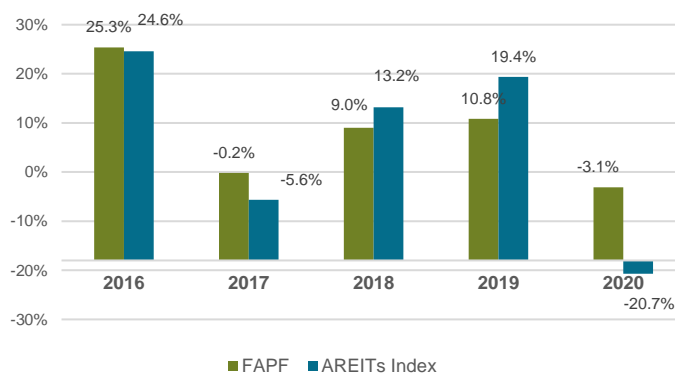
## Since Inception Return



## Sector Allocation



## Financial Year Returns



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## Listed Performance Update

### Contributors

**HDN (overweight)** – HomeCo Daily Needs REIT was introduced into the portfolio in April 2021 when the Fund participated as a cornerstone investor in an entitlement offer to vend seven large format retail assets from its parent company into the REIT. Preliminary valuations released during May demonstrated an additional 4.7% increase to the portfolio, net of capex requirements.

**CIP (overweight)** – Centuria Industrial REIT announced external revaluations across its portfolio, resulting in an 11% increase from prior book values. The portfolio weighted average capitalisation rate firmed 42 basis points to 4.53%.

### Detractors

**NSR (not held)** – No stock specific news during May, however National Storage REIT took advantage of its strong share price in early June by raising \$325m via an entitlement offer to repay debt and reduce gearing from 35% to 24%.

**APA (overweight)** – APA Group hosted its annual Investor Day and revised its distribution framework by pegging dividends to 60-70% of free cash flow. The Group will no longer provide earnings guidance and instead only guide to distributions.

## Current & Active Weights

Asset Class	Benchmark	Range	Current	Active Weight
<b>A-REITs</b>	35%	20%-100%	39.2%	4.2%
<b>Listed Infrastructure</b>	15%	0%–60%	17.4%	2.4%
<b>Unlisted Property</b>	50%	0%-80%	37.8%	(12.2%)
<b>Cash</b>	0%	0%-20%	5.7%	5.7%

## Unlisted Property Portfolio

Fund	Portfolio Weight	Sector Weight
Mentmore Property Unit Trust	5.5%	14.6%
AMP Capital Wholesale Office Fund	5.5%	14.4%
Freehold Debt Income Fund	4.9%	13.0%
Dexus Healthcare Wholesale Property Fund	3.2%	8.6%
8 Station Street Property Unit Trust	2.8%	7.5%
Charter Hall Core Plus Industrial Fund	2.7%	7.2%
MA Prime Logistic Fund	2.7%	7.0%
Freehold Development Trust 2	2.4%	6.4%
AMP Capital Diversified Infrastructure Trust	2.1%	5.5%
Westpac House Investment Trust 1	1.7%	4.5%
Jade Development Fund No.1	1.3%	3.3%
Caboolture Retail Trust	0.9%	2.3%
Freehold Development Trust 3	0.6%	1.7%
Investa Commercial Property Fund	0.6%	1.6%
Alceon UPG No.2 Trust	0.5%	1.4%
Perth Rail Link Property Trust	0.4%	1.0%
Micro Nest Holding Trust	0.0%	0.0%
<b>TOTAL</b>	<b>37.8%</b>	<b>100.0%</b>

## Top 6 Portfolio Positions

Security	Portfolio Weight	Sector
<b>Scentre Group</b>	9.6%	Retail
<b>Transurban Group</b>	9.5%	Infrastructure
<b>Dexus</b>	6.9%	Office
<b>Mentmore Property Unit Trust</b>	5.5%	Office
<b>AMP Capital Wholesale Office Fund</b>	5.5%	Office
<b>Freehold Debt Income Fund</b>	4.9%	Other



Fund Details	
<b>Fund Inception Date</b>	Model Portfolio – 7 <sup>th</sup> Nov 2011 Fund – 15th Feb 2015
<b>Objective</b>	Outperform the Benchmark on a rolling 3-year basis
<b>Benchmark</b>	Australian Real Assets Index which is derived from a 50/50 combination of the Australian Listed Real Assets Index and the Australian Unlisted Real Assets Index.
<b>Investment Timeframe</b>	3-5 Years
<b>Minimum Investment</b>	\$10,000
<b>Income Distribution</b>	Quarterly
<b>Unit Pricing</b>	Weekly
<b>Management Costs</b>	0.165% to 1.015% p.a. (incl. GST)
<b>Buy / Sell Spread</b>	0.25% / 0.25%
<b>Responsible Entity</b>	Responsible Entity Partners Ltd
<b>ARSN</b>	164 098 855
<b>APIR Code</b>	LAM0044AU
<b>Platforms</b>	BT Wrap, Asgard eWrap, Asgard Infinity Wrap, Netwealth

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