

The Freehold Absolute Return Fund

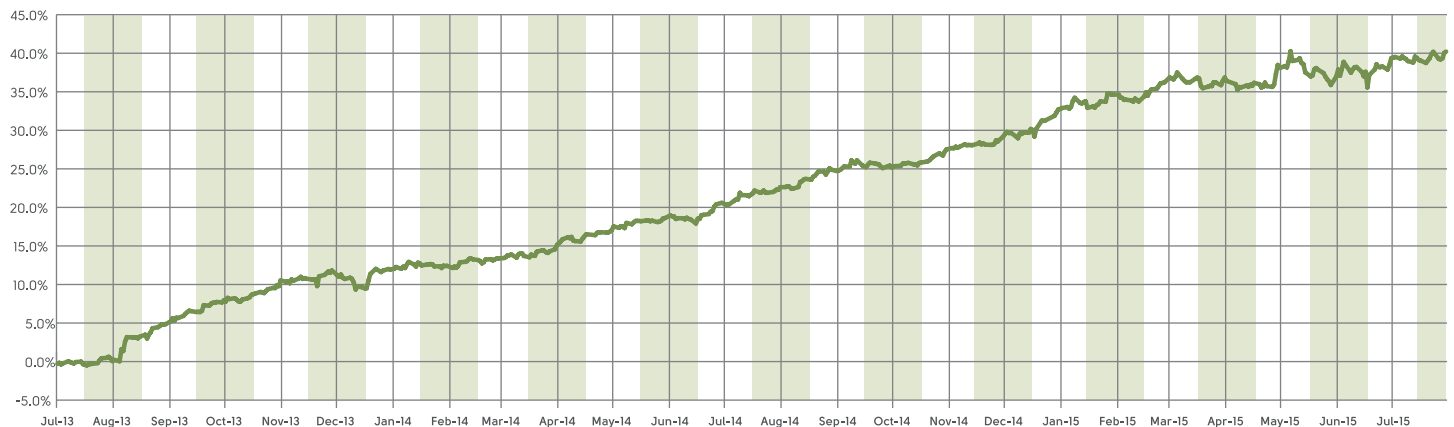


The Freehold Absolute Return Fund invests in both long and short equity positions in listed real estate and infrastructure securities.

The since inception return of the fund has been 38.6% (17.7% p.a.) and the last twelve months 14.9%. The long-short nature of the Fund combined with Freehold's rigorous investment process ensures returns generated by the Fund are largely independent of rising or falling markets.

The philosophy of the Freehold team is that markets are inefficient and by exploiting these inefficiencies, there is an opportunity to generate excess returns. The investment style is active bottom-up and is based on conducting fundamental research to estimate the relative value of real estate and infrastructure securities.

Freehold Absolute Return Fund: Since Inception Returns to 30 June 2015



*Past performance is not indicative of future performance.

Investment objectives

- To generate returns after fees, of 12-15% p.a. over the medium to long-term;
- To preserve capital;
- To deliver returns with a lower volatility relative to equity markets.

Benefits

- Low correlation – a 'skill based' income stream that has minimal correlation of returns with equity markets.
- Low volatility – returns will have a lower volatility relative to the equity market.
- Income generating – trading profits and dividends are paid out half yearly as income distributions to investors.
- Capacity limited – funds under management capped to ensure identified market inefficiencies can be exploited.
- High conviction – the Fund will take concentrated positions to capitalise on identified opportunities.
- Risk Aware – risk controls ensure a well-diversified and highly liquid portfolio.

This Fund is suited to sophisticated investors who

- Are seeking consistent medium to long term absolute returns;
- Aim to protect their capital in the case of declining equity markets; and
- Are seeking to diversify their portfolio with an exposure to alternative strategies.

Fund Details	
Type of fund	Long/Short Global REIT and Listed Infrastructure portfolio
Investment manager	Freehold Investment Management Limited
Trustee	Freehold Capital Partners Pty Ltd
Fund size	\$25m
Eligible investors	Only Wholesale or Sophisticated investors may invest in the Fund
Investment timeframe	At least 3 years
Minimum investment	\$50,000
Income distribution	Half yearly
Applications/unit pricing	Monthly
Liquidity	Monthly
Entry and exit fees	Nil
Management costs	1.5% p.a. of net asset value
Performance fee*	20% of performance above Australian 3 Year Bond Yield +2% p.a.*
Buy/sell spread	+/- 0.35%

Fund Investment Guidelines	
Authorised investments	Listed REITs and Infrastructure securities on developed market exchanges
Number of positions	Range from 100% cash to 50 positions (comprising both long and short)
Maximum long position	15% of NAV
Maximum short position	5% of NAV
Maximum leverage	50%
Maximum gross market exposure	200% of NAV
Maximum net market exposure	100% of NAV
Maximum foreign currency exposure	5% of NAV
Liquidity risk	Majority of position sizes limited to five days turnover
Capital preservation focus	Stop loss set at a maximum loss at the portfolio level of 0.5% on any one position

*Calculated in arrears and accrued monthly, payable twice yearly.

About Freehold

Freehold Investment Management Limited is a boutique investment management company with key capabilities in the real estate and infrastructure sectors.

The Freehold team has a proven track record in managing Australian and global real estate securities, listed infrastructure securities, private equity and direct real estate.

Freehold is focused on providing investment opportunities primarily within core, value-add, opportunistic and development sectors of direct property and across listed and unlisted real estate and infrastructure securities.

The Investment Team



Andrew Smith
Head of Real Estate and Infrastructure

- Portfolio Manager - APN Property Group, 2008-2011
- Executive Director - Goldman Sachs JBWere, 2005-2008
- Portfolio Manager - Portfolio Partners Ltd, 2000-2005
- Analyst - BNP Equities Ltd, 1998-1999



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