

Freehold A-REITs and Listed Infrastructure Fund

Monthly Investment Update



June 2019

Overview

The Fund comprises a portfolio of A-REITs and Listed Infrastructure securities that exhibit income and growth characteristics. Our style overlay screens for pure property and infrastructure characteristics and results in minimal exposure to development, currency risk and other 'active' earnings. Investable securities must generate a minimum 90% of their income via rental income, or recurring, contracted/mature infrastructure income, and have at least 75% of their assets in Australia. The Fund typically holds 12-20 securities in the portfolio.



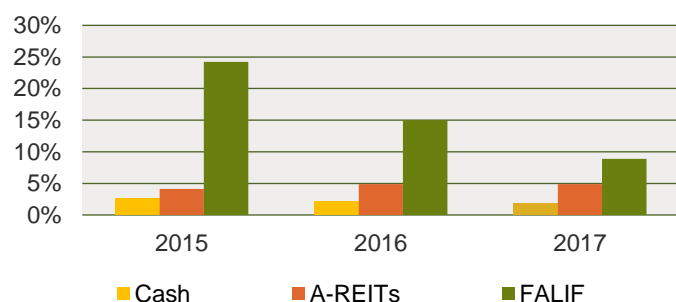
Investment Performance

Investment Performance	Month	Quarter	1 Year	3 Years	5 Years	Since inception**
Freehold A-REITs & Listed Infrastructure Fund (net of fees)	4.5%	3.6%	16.2%	6.4%	13.3%	15.2%
A-REITs Index*	4.2%	4.1%	19.4%	8.2%	14.5%	13.6%
Listed Infrastructure Index*	8.6%	11.8%	23.6%	12.2%	17.3%	19.3%

*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).

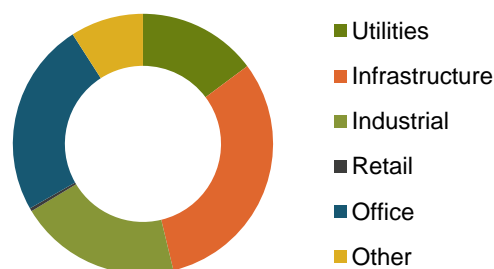
**AREITs/Listed Infrastructure inception date - 1 May 2010. Performance returns assume reinvestment of income and returns greater than 1 Year are expressed as %p.a.

Income Return*



* Income Return for FALIF is the fund distribution and will include net realised capital gains.

Sector Allocation



CONTACT DETAILS

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Commentary

The Fund increased by +4.5% in June, outperforming broader equities as a deteriorating global growth outlook continues to push global bond yields lower. This has driven a flight to defensive sectors such as A-REITs and infrastructure, which has underpinned returns given their historic high correlation to lower bond yields.

Meanwhile, domestic headwinds continue to intensify. The Australian housing market remains sluggish and lending restrictions are tight, whilst inflation and wages growth is anaemic. In an attempt to stimulate the economy, the RBA cut official interest rates to a record low 1% during the month. Despite a swathe of equity capital raises during the month, the Fund's sectors continue to rally, reinforcing our view that investors are keen to increase their defensive allocations.

Looking forward, the next catalyst for the sector is the upcoming August reporting season. The Fund remains positioned in quality, defensive companies with predictable earnings that exhibit a low probability of negative earnings revisions. Of particular interest will be the full year independent portfolio revaluations, with our expectations that office and industrial assets will continue to post strong gains, whilst the retail sector may continue to face external pressures. The Fund is appropriately positioned to benefit from these expected themes.

Performance Update

Contributors

VCX (UW): Released its latest property valuations which indicated a valuation decline of -1.3%. Our expectation is that this may be the beginning of more meaningful retail asset declines.

SCP (UW): Similar to Vicinity, the Group's property valuations posted a minor decline.

SYD (OW): Delivered a stronger set of passenger numbers than the market was anticipating.

Detractors

CQE (OW): Announced the acquisition of the Brisbane City Council Bus Terminal, which can be considered 'off strategy' for a Group that specialises in owning childcare centres.

Current & Active Weights

Asset Class	Benchmark	Range	Current	Active Weight
A-REITs	70%	40–100%	66.1%	(3.9%)
Listed Infrastructure	30%	0–60%	32.8%	2.8%
Cash	0%	0–20%	1.1%	1.1%

Top 6 Active Positions

Security	Portfolio Weight	Active Weight*
Centuria Industrial REIT	5.5%	4.9%
Charter Hall Education Trust	4.7%	3.8%
Viva Energy REIT	4.8%	3.6%
Vicinity Centres	3.9%	(3.9%)
SCA Property Group	-	(2.1%)
BWP Trust	-	(1.8%)

*Post application of style overlay

Fund Details

Fund Inception Date	Model Portfolio – 1 st May 2010 Fund – 20 th August 2013
Objective	To outperform the broad benchmark index over rolling 3-year periods
Benchmark	Derived as the S&P/ASX 300 A-REIT Accumulation Index and a subset of the S&P/ASX 200 Index infrastructure sub industries, combined on a 70/30 basis.
Investment Timeframe	3-5 Years
Minimum Investment	\$25,000
Income Distribution	Half Yearly
Unit Pricing	Daily
Management Costs	0.85% per annum
Buy / Sell Spread	0.33% / 0.33%
Responsible Entity	Trustee Partners
ARSN	164 098 855
APIR Code	LAM0042AU
Platforms	BT Wrap, Asgard eWrap, Asgard Infinity Wrap

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