EQT SGH Wholesale Property Income Fund

31 March 2016

SGH

SG HISCOCK & COMPANY

Fact Sheet

Investment objective	A dividend yield (before fees) which is higher than the S&P/ASX300 A-REIT Accumulation Index and a total return in excess of the CPI + 3% over rolling five year periods (before fees).		
Investments held	The Fund primarily invests in A-REITs and may also invest in real estate management, development and infrastructure securities. An A-REIT is a collective investment vehicle, which owns a portfolio of real property, thus providing for a wider form of ownership. A-REITs are listed on the ASX, and their prices fluctuate with supply and demand, as with equity instruments. As a rule A-REITs derive the bulk of their income from rental property income. The Fund generally seeks to invest in A-REITs that exhibit an above average proportion of their income sourced from rents rather than more volatile income streams such as third party construction or development. As a result of this strategy, the Fund's investment portfolio has very different weights to that of the S&P/ASX300 A-REIT Index. The S&P/ASX300 A-REIT Index has changed so much that there is now a significant concentration of the largest stocks in this index. The Investment Manager believes that the investment strategy for the Fund is likely to provide superior portfolio diversification (by setting a maximum portfolio weight for any individual security in the portfolio at 15%), and the potential for a higher income yield than the S&P/ASX300 A-REIT Index.		
Investment Manager	SG Hiscock & Company		
APIR	ETL0119AU	**mFund Product Code**	SHF03
Commencement	30 November 2005	**Buy spread**	+0.25%
Management costs[1]	0.95% p.a.	**Sell spread**	-0.25%
Minimum initial investment	$20,000	**Investment pool size**	$450.11 million

Unit Prices	Application	Net Asset Value	Withdrawal
31 March 2016	$ 0.4145	$ 0.4135	$ 0.4124

Performance as at 31 March 2016[2]	1 mth %	3 mths %	6 mths %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	Incept' % p.a.
Distribution Return	0.25	0.25	1.89	13.70	11.06	9.29	9.57
Growth Return	2.93	3.76	10.77	-3.95	4.53	7.17	-7.84
Total Net Return	3.18	4.01	12.66	9.75	15.59	16.46	1.73
CPI + 3% pa	0.40	1.20	2.37	4.70	5.34	5.48	5.80
S&P/ASX 300 A-REIT Accum. Index	2.50	6.38	12.78	11.40	16.26	15.83	3.02

Top 5 holdings as at 31 March 2016
MIRVAC GROUP
STOCKLAND
DEXUS PROPERTY GROUP
INVESTA OFFICE FUND
AUSTRALIAN DOLLAR

Top 5 holdings represent 52.48% of the total Fund.

Distribution Period	Cents per Unit
31-Mar-15	0.2069
30-Jun-15	4.5054
30-Sep-15	0.1252
31-Dec-15	0.5802
31-Mar-16	0.1017

Asset Allocation as at 31 March 2016	
Australian REITS	92.65
Cash	7.35

1. Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").
2. Performance: Distribution Return is the return due to distributions paid by the Fund, Growth Return is the return due to changes in initial capital value of the Fund, Total Net Return is the Fund return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions.

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Commentary

The S&P/ASX 300 Property Accumulation Index finished up 2.5% in March. The broader market (S&P/ASX 300 Accumulation Index) outperformed the AREITs, up 4.8% in total returns. Global REITs were a strong performer delivering 7.6% for the month after two weak months.

Domestic Economic Data

The RBA kept Interest Rates unchanged at 2%, with the RBA maintaining an easing bias, as it expects the low Inflation environment to persist. The AUD continued to strengthen, boosted by The Fed articulating a more gradual pace of interest rate rises, along with the rise in commodity prices. The strengthening AUD further boosts the opportunity to cut official interest rates, in order for Australia's economy to remain competitive, to deliver a lower AUD, which finished at US$0.77. The Ten-Year Bond Yield closed at 2.49%.

Household debt levels are rising, along with a drop in the savings rate, making-up for the anaemic real wage growth the economy is experiencing. Business Conditions improved whilst Business Confidence remains muted. Retail Sales were down marginally on the previous month. Both Residential and Non-Residential Approvals fell in January but house prices rebounded for the start of the year. Residential Financing fell on the latest data but the Owner-Occupier segment remains positive over the rolling 12-months. The Unemployment Rate fell from 6.0% to 5.8%, with a drop in the Participation Rate. Job advertisements fell.

Overseas Economic Data

At the National People's Conference held in March in China, the authorities stated their economic targets. This included an annual growth rate of at least 6.5%, a fiscal deficit of 3% of GDP and Inflation to run at 3%. The Average House Prices in the Tier 1 cities continue to materially rise, with this now starting to spill-over into the Tier 2 cities. This has accelerated post the Chinese New Year celebrations and the recent implementation of easing housing policies. The biggest potential risk (aside from debt) remains a potential, sizeable devaluation of the currency.

In Europe, the ECB delivered further easing measures. This included moving further into negative interest rate territory (for deposits) and increasing the monthly amount of Quantitative Easing, along with including Corporate Bonds as part of its asset purchase program. This is on the back of the Euro currency being considered to be overvalued and hence risking the little growth that is presently being achieved within the region. The UK's "Brexit" referendum is becoming more line-ball every day, with three months to run.

In the US, The Fed's latest statement intimated a more gradual pace of raising official interest rates than was previously the case when it lifted rates in late-2015. This, despite the continued employment/job figures, which in-turn should lead to a rise in headline Inflation (especially as oil rose and the USD fell in March). Home Sale volumes improved by more than consensus expectations. The Ten-Year Bond Yield finished at 1.77%.

Speculation mounts in Japan that the Bank of Japan (BOJ) will deliver a further easing to monetary policy, despite delivering negative interest rates in January. This, despite a fall in consumer confidence being registered in February. Wage Growth and household spending continues to underwhelm, as CPI remains absent.

For more information visit www.eqt.com.au or telephone Equity Trustees unit registry on 1300 555 378.