

## Quarterly performance report

31 December 2019

### Charter Hall Maxim Property Securities Managed Portfolio

The Charter Hall Maxim Property Securities Managed Portfolio (previously Folkestone Maxim A-REIT Property Securities) is a Managed Discretionary Account (MDA), also sometimes referred to as a Separately Managed Account (SMA).

Performance as at 31 December 2019 <sup>1</sup>					Top five holdings		%
	1 mth (%)	3 mths (%)	1 yr (%)	Annualised return since incep (%pa)			
<b>Portfolio</b>	-1.78	0.76	19.27	10.77	GMG	Goodman Group	15.0
Benchmark	-4.24	-0.73	19.57	9.99	SCG	Scentre Grp	12.7
+/- Return	2.46	1.49	-0.30	0.78	MGR	Mirvac Group	11.2
					DXS	Dexus	8.6
					LIC	Lifestyle Communities	6.7

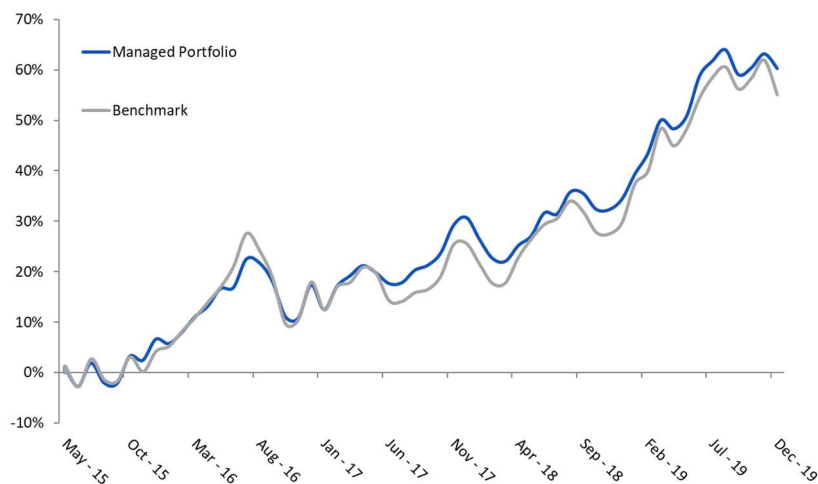
## Portfolio and market returns

Over the December quarter, A-REITs underperformed Australian equities, with the S&P/ASX 300 A-REIT Accumulation Index delivering -0.73% compared to +0.71% for Australian equities. For the 12 months to December 2019, the S&P/ASX 300 A-REIT Accumulation Index delivered +19.56%, which was below the return for the broader equities market of +23.77%.

Standout performers during the quarter were Ingenia Communities (INA +23.8%) following a strong FY19 result and better outlook for housing, Lifestyle Communities (LIC, +20.2%) also due to a better outlook for housing, and Rural Funds (RFF, +14.9%) as the group announced the sale of its Poultry Farms close to book value which assured investors that some of the previous claims raised by third parties around RFF's valuations appear unjustified.

Notable underperformers during the quarter were Charter Hall Education REIT (CQE, -7.8%) due to a change in CEO, GPT Group (GPT, -6.9%) given its sector proxy like performance and weaker performance from the sector due to higher bonds, and Cromwell Group (CMW, -6.0%) due to noise around corporate ownership stakes.

## Performance since inception<sup>1</sup>



<sup>1</sup> The Portfolio's benchmark is the S&P/ASX 300 A-REIT Accumulation Index. Past performance is not a reliable indicator of future performance and may not be achieved in the future. All information provided in this Report is correct at the date of this report. Returns are calculated net of management, administration, custody and transaction fees, and assume the reinvestment of all income (but not franking credits). Inception date of the Portfolio is 22 May 2015. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, inflows and outflows, other fees and any customisations. Please refer to the relevant Investment Mandate for full information on product specifics, including all fees and costs.

## Investment objective & strategy

The Charter Hall Maxim Property Securities Managed Portfolio aims to outperform the S&P/ASX 300 A-REIT Accumulation Index by 1.5% over rolling three year periods whilst also aiming to achieve a balance between growth in value of units as well as income from the investment.

Charter Hall utilises a disciplined investment process combining in-depth fundamental research with disciplined portfolio construction and risk controls to add consistent value over time.

With both global and local research, Charter Hall uses its own proprietary model as well as the services of other analysts to identify investments it considers worthwhile.

### About Charter Hall Maxim

Charter Hall Maxim is a boutique real estate investment manager, specialising in A-REIT securities and real estate debt. It was founded in 2003 and acquired by Folkestone Limited in April 2014

## Portfolio management

Mason Stevens Limited, as the Managed Discretionary Account Provider, will administer and implement the Managed Portfolio on the instructions of Charter Hall as the Program Adviser.

## Contact

### Investors

Please speak to your adviser

## Key features

<b>Investment universe</b>	Securities in the S&P/ASX 300 A-REIT Index and any other real estate related securities listed on the ASX with a market capitalisation greater than A\$50m and Cash.
<b>Benchmark</b>	S&P/ASX 300 A-REIT Accumulation Index
<b>Number of investments</b>	10-20
<b>Min cash weighting</b>	2%
<b>Maximum individual security weights</b>	20% (excluding Goodman Group & Scentre Group)
<b>Rebalancing</b>	Program adviser discretion
<b>Min investment</b>	\$25,000
<b>Suggested timeframe</b>	3 years +

## About Mason Stevens

Mason Stevens provides a multi-asset and multi-currency investment administration and managed account service to help produce tailored investment outcomes for advisers and their clients.

Clients benefit from efficient portfolio administration, secure online access to their investments, as well as comprehensive reporting.

## More information

Further information about the Portfolio, including fees and costs, is outlined in the Charter Hall Maxim Property Securities Managed Portfolio Investment Mandate.

### Advisers

T 1300 988 878

E [info@masonstevens.com.au](mailto:info@masonstevens.com.au)

W [masonstevens.com.au](http://masonstevens.com.au)

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