Presima Global Property Securities Concentrated Fund
Quarterly Report – September 2018

Investment Return Objective

Presima Global Property Securities Concentrated Fund aims to provide a total gross return of 2% p.a. or more above the Benchmark FTSE EPRA/NAREIT Developed Index Net TRI ($A hedged) over rolling four year periods.

Fund Performance[1]

For period ending 30 September 2018	1 month	3 months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception (p.a.)[2]
Total Return	**-1.68%**	**0.62%**	**5.10%**	**5.09%**	**8.44**	**7.49%**
Benchmark	-1.84%	0.30%	5.63%	7.09%	8.55	7.79%
Excess Return	0.16%	0.32%	-0.53%	-2.00%	-0.11	-0.30%

[1] Past performance is not a reliable indicator of future performance. The value of an investment may rise or fall with the changes in the market. These performance returns are reported post fees but before taxes.
[2] Inception Date 31 May 2013.

Quarterly Overview and Outlook

The FTSE EPRA/NAREIT Developed Net Index (hedged to AUD) recorded a 0.3% return for the quarter. Looking at regional returns on property stocks for 3Q, Canada, traditionally a safe haven for income-focused investors, led the pack, while UK stocks were sharply down as "no-deal" Brexit fears grew.

US REITs delivered positive returns in 3Q and are in positive territory for the year to date. Residential companies have been particularly strong. The sector is seen as defensive and offering "safe" growth, and supply for 2019 is declining and indicates that landlords could have slightly more pricing power. Triple net and healthcare also performed well. While many investors see these two sectors as interest rate sensitive, it appears that valuations were attractive enough to counter a rise in rates. The self-storage sector recorded a very difficult quarter, following a strong start to the year. Rent growth in the sector has recently flattened out close to 1%, causing the recent decline in share prices. Looking forward, we are focused on analyzing new supply data and its potential impact on rent growth for the sector. With the holiday season creeping up on us, we note that retailers have had a decent year in the stock market. Despite the usual headlines around store closures, a wider analysis shows that there have been more openings than closings, by a margin of nearly 4,000 net new store openings. All in all, it is a relatively better retail environment than in recent years. Despite this, retail REITs have not followed suite and are down for the year. We believe that holidays sales could be the trigger that determines whether REIT performances converge toward that of retailers or vice versa.

The 3Q was a dismal period for European retail REITs. Ironically, there was not one specific factor which weighed on the sector but a multitude of different, and often stock-specific, negatives which impacted performance. Virtually no retail REIT was spared from negative performance regardless of region, asset quality or size. Those that suffered most were impacted by higher valuation yields on assets and falling asset values. Unibail, which recently concluded its takeover of Westfield, was a victim of merger issues as the rental growth from Westfield's non-core US assets was worse than expected and assets values and releasing spreads in France underwhelmed the market. In the case of Mercialy, the company has fallen victim to the negative news flow surrounding its largest tenant and owner, Casino, which has been the subject of many negative press reports. Swedish real estate stocks, on the other hand, performed well. The Stockholm office market has been one of the strongest leasing markets in Europe where rents have increased by more than 50% over the last five years. With almost no new supply coming to the central business area, rental growth has taken hold in several well-connected suburban markets. Companies have also benefitted from a progressively lower cost of debt as the Swedish Central Bank maintains its loose monetary policy.

The start of the quarter was very volatile for Singapore residential developers. With the country's home prices rebounding for a few quarters after almost four years of negative growth, authorities surprised the market and decided to act again by introducing cooling measures to contain the market. In the office sector, recent quarters saw solid growth in rents in most major cities of the Asia-Pacific region. While supply of new space does not appear to be excessive for the next two years, solid demand from tenants of various industries, both for central and off-CBD locations, is sustained. Given that the dynamics are different from one city to the next, it seems like it is the robust economic backdrop which is pushing tenants to expand. In Hong Kong, a slight decline in the country's home prices was recorded in 3Q, following a two-year rally. Hong Kong remains the world's most unaffordable residential market. As such, investors appeared to be worried about the impact of macroeconomic uncertainties and the recent uplift in the HIBOR interest rate, which translates into increasing costs of mortgage loans. The recent push by local authorities to increase the supply of new units may also contribute to moderating prices. Historically, Hong Kong home prices have been through periods of intense ups and downs, which directly impacts residential developers' sales volumes and profit margins.

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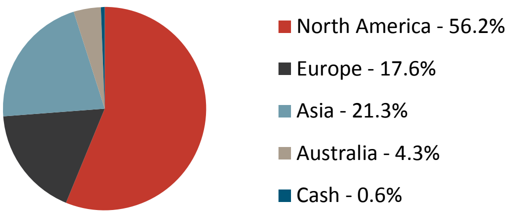
Top 3 Stock Contributors for September Quarter

AvalonBay Communities	Positive sentiment towards multifamily stocks following second quarter results continued in August. AVB reported funds from operations (FFO) per share and same store net operating income (SSNOI) growth at the higher end of its recently issued guidance. The stock's performance was among the best of its peer group during the month.
Brookfield Property	The closing of the GGP takeover by Brookfield was well received by investors as the gap between GGP's trading price and the theoretical takeover price closed by the end of the month.
Prologis	The company is progressing with the integration of DCT Industrial Trust and the expected synergies seem to be on target. Fundamentals continue to be solid for the industrial sector due to low level of vacancy. Moderate supply is well absorbed nationwide as it benefits from increasing consumption, e-commerce and supply chain reconfiguration.

Top 3 Stock Detractors for September Quarter

Hudson Pacific Partners	No company-specific news seemed to explain the stock underperformance during the month. That said, the stock reacted negatively to Netflix's disappointing earnings release. Netflix is one of Hudson's top tenants.
CubeSmart	After a strong performance for the year to date, the company reported in line with expectations, but showed slowing results that appeared to disappoint investors. Elevated supply of new self-storage assets in several US markets remains a concern for investors.
Land Securities Group PLC	Landsec currently trades at a 5-year low following its negative performance during the month. In the absence of any company-specific news and because the company performed in line with its closest UK peers during the period, we believe the stock price was impacted by continued investor uncertainty around Brexit as the October EU summit approaches. In addition, the company's exposure to retail assets which comprise approximately 50% of its total portfolio value has also been subject to negative investor sentiment for UK retail. Both factors have more than offset the positive valuation read through observed from several office private market transactions in London.

Regional allocation as at 30 September 2018



Top 10 holdings as at 30 September 2018

Stock	Country	%
PROLOGIS INC	United States	8.1
AVALONBAY COMMUNITIES INC	United States	7.7
MITSUI FUDOSAN CO LTD	Japan	5.2
DIGITAL REALTY TRUST INC	United States	4.5
CK ASSET HOLDINGS LTD	Hong Kong	4.5
PARAMOUNT GROUP INC	United States	4.4
INVITATION HOMES INC	United States	4.2
HUDSON PACIFIC PROPERTIES INC	United States	4.1
SIMON PROPERTY GROUP INC	United States	4.0
VONOVIA SE	Germany	4.0

Presima Global Property Securities Concentrated Fund Quarterly Report – June 2018

PRESIMA

Key Facts	
APIR code	PPL0026AU
Management costs	1.00%p.a.
Benchmark	FTSE EPRA / NAREIT Developed Index Net TRI (hedged in $A)
Buy spread	+0.30%
Sell spread	-0.30%
Commencement	31 May 2013
Minimum investment	$20,000
Income distribution	Half-yearly

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