



SG Hiscock & Company

EQT SGH PROPERTY INCOME FUND

Higher tax effective income
with lower volatility



EQT SGH Property Income Fund is a fund that invests in listed property trusts. The Fund is designed for investors who seek an investment in property but require greater diversity and liquidity than an investment in direct property and who are seeking income, some of which is tax advantaged.

A winning business partnership

Equity Trustees Limited (EQT) and SG Hiscock & Company (SGH) are the businesses behind this successful fund.

SGH is a boutique investment manager specialising in listed property securities and Australian equities. Starting with just \$5 million under management in 2001, they have grown to manage \$4 billion as at 31 October 2007.

In October 2007, SGH won the PIR **Property Securities Fund Manager of the Year Award**. They received this prestigious award based on a blend of detailed quantitative and qualitative analysis that assessed risk adjusted returns, governance, disclosure and processes.

SGH benefits from the extensive distribution and support network of EQT, the Responsible Entity for the Fund. SGH retains independence in their decision-making by focusing purely on investment decisions, leaving marketing and other responsibilities to EQT.

EQT is a financial services company listed on the Australian Stock Exchange. Established in 1888, EQT has helped five generations of Australians manage their wealth. Their highly personalised approach to customer service is invaluable to investors and financial planners.

Why *listed* property trusts?

Listed Property Trusts (LPTs) give you exposure to a range of investments without a huge outlay. Property is the classic hedge against inflation, allowing for long term growth.

Investors receive tax advantages from much of the rental income, which has the added benefit of increasing over time. Should you wish to exit the market quickly, you can do so at a relatively low cost. In addition, the Management Expense Ratios, also known as MERs, are generally lower than other managed property investment schemes.

The Fund that stands out from the rest

Unlike many other property funds, the EQT SGH Property Income Fund does not track the S&P/ASX 300 Property Trust Index. The table below highlights some of the differences between the two. The EQT SGH Property Income Fund targets different results, namely, higher tax effective income and low volatility. It focuses on a diverse range of listed property funds with higher yields and less volatility.

While these figures will change, the underlying bias of the Fund will always be to target greater stock diversification and income yield.

By focusing on rental income, over-exposure to more volatile property developments or equity style business investments is avoided.

Portfolio Characteristics [#]	EQT SGH Property Income Fund	S&P/ASX 300 Property Trust Index
Price / Net Asset Valuation	10% discount	2% premium
Largest stock weight	7%	30%

[#] As at 31 October 2007.

SG Hiscock & Company are winners of the 2007 PIR Property Securities Fund Manager of the Year Award

A diversified approach to achieve high income results

The key to the Fund's success is its diversification and strict selection criteria. It gives exposure to a range of local and international property trusts focusing on relatively high and tax effective income.

Ongoing rigorous research focuses on investing in LPTs which are forecast to have higher income yields. Active management and constant monitoring of the portfolio aims to ensure that all investments consistently deliver results and add value to investors' portfolios.

A minimum of 15 LPTs are held in the portfolio at any time and the maximum weight of any one stock is never more than 15%. The Fund has the ability to invest up to 20% of the portfolio in global property securities – all fully hedged to ensure you are investing in the property and not the currency.

The Fund at a glance

- **Tax effective** investment by seeking to invest in listed property trusts with an above average tax deferred component in their distribution.
- **Low portfolio turnover** to reduce the distribution of taxable gains.
- Income **yield well in excess** of the Index yield.
- A portfolio trading much closer to Net Tangible Assets than the Index.
- **Targets less risky exposure** to property trusts by principally investing in LPTs which have an above average percentage of their income coming from rents rather than property development, or other more risky activities.
- **More diversified** exposure to listed property trusts – **the largest holding in this trust will be no larger than 15%.**
- **Lower volatility.**
- **Benchmark unaware.**

"In recent years there has been an increasing level of income coming from more volatile activities such as property development, construction, and funds management. We look to invest in a more traditional portfolio of LPTs which have more income coming from rents and less from more volatile activities. The intention is for the portfolio to offer a higher and more tax effective yield than the S&PIASX 300 Property Trust Index – just as property investment is supposed to be".

Stephen Hiscock Managing Director,
SG Hiscock & Company Limited



Funds offered by SG Hiscock & Company and distributed by Equity Trustees

Fund Name	APIR Code	ARSN	Classification
EQT SGH Absolute Return Trust	ETL0006AU ETL0030AU	105 436 753	Retail Wholesale
SGH20	ETL0042AU	111 734 411	Wholesale
SGH IC ² E	ETL0062AU	118 533 458	Wholesale
EQT Small Companies Fund	ETL0109AU	095 852 341	Retail
EQT SGH LaSalle Global Listed Property Securities Trust	ETL0005AU	105 288 033	Wholesale
EQT SGH Property Income Fund	ETL0108AU ETL0119AU	095 852 501	Retail Wholesale

To arrange a meeting with one of Equity Trustees' Business Development Managers, or for more information about EQT SGH Property Income Fund, please call 1300 555 511 or email equity@eqt.com.au

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