

RREEF PALADIN PROPERTY SECURITIES FUND

Factsheet

RREEF Alternative Investments

Real Estate

Infrastructure

Private Equity

The RREEF property securities team focuses on fundamental security research and in-depth research of direct property markets. It looks for long-term stock value, having regard to the risks involved.

Investment Objective

The investment objective of the RREEF Paladin Property Securities Fund ('Fund') is to outperform its benchmark, the S&P/ASX 300 GICS Property Accumulation Index, after fees, over rolling three-year periods.*

* This indicates what the Fund aims to achieve over the medium to long term. It is not intended as a forecast and returns are not guaranteed.

Our investment philosophy

RREEF's investment philosophy is to maximise returns to clients by investing in a select number of real estate securities with strong cash flow growth potential and, therefore, the capacity for sustained dividend increases. We seek to uncover hidden value or earnings surprises by understanding the companies' existing portfolios and potential to acquire or develop assets under attractive terms.

We believe that property securities have their own distinct performance characteristics and risks. The underlying fundamentals of direct property are an important influence on the performance of property securities over the medium to long term. Although we focus primarily on bottom-up stock selection, we also believe it is important to consider overall portfolio exposures in terms of sectors (office, retail, etc) and geographic exposures (domestic, offshore).

The investment philosophy underlying our property securities products is based on the following beliefs:

- An active, disciplined investment approach, supported by proprietary fundamental research and quantitative risk management, will result in superior, long-term investment returns;
- The property securities market is inefficient in terms of information, particularly in the short term; the existence of investors with differing objectives and skill levels causes stock prices to diverge significantly from their fundamental value over shorter periods; and
- Over the longer term, stocks revert to their fundamental value.

We favour stocks that have high quality assets, security of income, sound management, efficient use of gearing and an appropriate corporate structure.

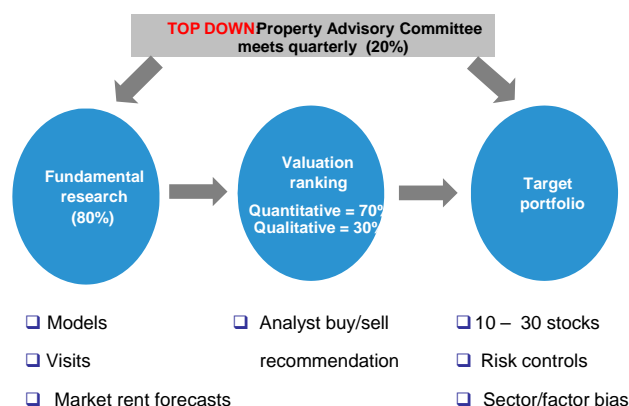
Our investment process

We believe that independent research drives much of the outperformance in the sector.

Our aim is to capture value across the entire investment universe by investing in trusts that generate high internal rates of return and have the potential for strong distribution growth, quality assets, strong management and balance sheet

We employ an active, bottom-up investment approach combined with a top-down overlay applied in the final construction of the property securities portfolio. We believe that value can be added by using superior research capabilities to identify securities mis-priced in the market. In addition to security selection, sector and size tilts can also add value in a property securities portfolio and we have built this into our investment process.

The diagram below illustrates our investment process:



We estimate that 80% of our effort/reward comes from our bottom-up activities, which include determining fundamental value by financial modelling of the available securities, interviewing management and interpreting the underlying direct property market prospects.

Approximately 20% of our effort/reward comes from considering top-down factors including direct property sub-sector asset allocation, economic and our Australian equity team's views. This top-down analysis is formalised around a strategic committee, the Property Advisory Committee, which meets quarterly.

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The RREEF Paladin Property Securities Fund is characterised in the market by its consistent returns and reliable income distributions. The Fund aims to provide income returns and achieve long-term capital growth by investing primarily in property trusts and property related securities listed on the Australian Stock Exchange, with some exposure to cash investments.

The Fund at a glance

Investment objective	To outperform the benchmark the S&P/ASX 300 GICS Property Accumulation Index, after fees, over rolling three year periods*. * This indicates what the Fund aims to achieve over the medium to long term. It is not intended as a forecast and returns are not guaranteed.
Benchmark	S&P/ASX 300 GICS Property Accumulation Index
Inception date	March 1995
Suggested investment period	5 - 7 years
Typical number of stocks	10 - 30
Entry and exit fee	Nil
Minimum investment amount	\$25,000
Management Costs	0.92% (estimated) (0.75% pa investment management fee + 0.17% pa <i>estimated</i> expense recovery)
Buy/sell spread	+0.25/-0.25%
APIR code	PAL0002AU

Why invest in the RREEF Paladin Property Securities Fund?

The RREEF Paladin Property Securities Fund offers:

- direct and cost-effective exposure to Australian property securities
- access to an expert property securities team able to draw on a range of highly regarded research sources
- strong track record from proven processes

Contact details

To discuss any information in this factsheet please call **freecall**: Individual investors 1800 034 402 • Advisers 1800 678 519
Alternatively, visit the Ironbark Asset Management website at www.ironbarkam.com

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