



SQM Research Media Release

Monday, 25th July 2016

HCAP Asset Management – Upgraded to 4.00 Stars

SQM Research has announced that HCAP Asset Management has been upgraded from 3.75 Stars to 4.00 Stars.

The upgrade is based on a continuing impressive track record of HCAP Asset Management. Since release of the current report in December 2015, the Lane Cove Single Asset Trust and the South Brisbane Single Asset Trust have distributed returns of 31% and 29%. Both returns are above the target of 25%.

Please note that the rating is not a reflection of any specific project currently marketed or any current or future fund that may be offered by the Group. The rating provides an overall opinion on the investment management capabilities (in particular the asset management capabilities) of the HCAP Asset Management (HCAP).

The updated rating is based in the report dated 2 December 2015 and is subject to a full review to be completed in the last quarter of 2016.

HCAP Single Asset Trusts – Track Record

	Trust Name	Development Location	Target Return	Return Distributed
1	Kangaroo Point Unit Trust	1km from Brisbane CBD	20%	25%
2	Kelvin Grove Property Unit Trust	2km from Brisbane CBD	20%	25%
3	New Farm Trust	1km from Brisbane CBD	20%	28%
4	Lane Cove Single Asset Trust	9km from Sydney CBD	25%	31%
5	South Brisbane Single Asset Trust	0.6km from Brisbane CBD	25%	29%



About SQM Research

SQM Research Pty Ltd is a respected Australian investment research house, specialising in providing ratings and data across all major asset classes.

For more information, please visit www.sqmresearch.com.au

Research Methodology

In general, the assessment approach adopted by SQM Research incorporates a combination of qualitative and quantitative research techniques to assess property investment products,

Information generated is passed through the SQM Research assessment model at the completion of the assessment process. The assessment model generates a product score, which correlates to a specific star rating (out of a maximum of five stars). Each star rating covers a scoring range, allowing products to be ranked within quarter star increments.

Following are descriptions for each of the star ratings, which have been developed as a guide for dealer group research teams and investment committees:

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4.5 stars and above – Outstanding. Highly suitable for inclusion on APLs.

4 stars to 4.25 stars – Superior. Suitable for inclusion on most APLs.

3.75 stars – Favourable. Consider for APL inclusion.

3.5 stars – Acceptable. Consider for APL inclusion, subject to advice restrictions.

3.25 stars – Caution required. Not suitable for most APLs.

3 stars – Strong caution required. Not suitable for most APLs.

Below 3 stars – Avoid or redeem. Unapproved.

Hold – The rating is currently suspended until SQM Research receives further information. A rating is typically put on hold for a period of 2 days to 4 weeks.

Withdrawn – The rating is no longer applicable. Significant issues have arisen, and investors should avoid or redeem units in the fund.

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