Listed Property
TAMIM Property Fund

At 31 August 2023

The TAMIM Listed Property unit class delivered a -0.61% return for the month of August 2023. For comparison the A-REIT sector was up +1.68% while the G-REIT sector was up +0.71%.

Australian Listed REIT Portfolio (AUD)

The portfolio declined by -1.48% during August, giving back some of the gains made in the previous month. The A-REIT market gained 1.68%, mainly driven by the significant weighting of Goodman Group (GMG) in the ASX 200 A-REIT Index at 31.3%. GMG delivered 13.7% for the month. Goodman is the largest holding in our portfolio at 9.18%. The ASX 300 was down for the month by -0.76%. Global REITs declined by -3.20% in August in USD terms, delivering just shy of a 2% YTD return for 2023. AREITS have delivered 7.26% YTD, with the last 2 months providing 5.57% of that return.

GMG which was the best performing stock in the portfolio announced their results in the middle of August and the market reacted sharply with the share price shooting up based on strong results that beat estimates. They reported operating profits of AUD 1.78m (Up 17% on FY'22) and FY'23 EPS growth of 16%. GMG also announced a pipeline of data centre sites with a secured and potential power allocation greater than 3GW and that its management is investigating a possible partnership with hyper-scalers (Oracle, Microsoft, and AWS) to deliver a total solution as a data centre developer and operator. The company is structurally and fundamentally sound with high occupancies of 99%, Weighted Average Lease Expiry (WALE) of 5.5 years (Up from 5.2 years in 2022) and Like-for-like NPI growth of 4.7%.

The worst performing stock was Charter Hall Long Wale REIT (CLW) which delivered -13.68%. The portfolio weighting to it is 2.99%. They reported their results on 8 August which was in line with expectations but then provided earnings guidance of 8% below consensus estimates which hurt the share price. This was mainly driven by higher than anticipated debt costs and did not sit well with investors. Cromwell Property Group (CMW) is an office play that also saw red this month, delivering -11.63%. CMW is our second smallest holding in the portfolio at 1.97%. The office sector in the global space have seen a nice rebound from extreme lows recently but this drive was not reciprocated in the A-REIT market.

Industrial was the best performing sector (+12.9%) which was mainly driven by the performance of GMG off its results. Office was the worst performing sector and returned -6.6%, led by CMW.

The outlook for A-REITs is improving and looking clearer with the better-quality assets performing well. There is good growth in logistics, tenant demand in certain sectors is picking up, growth forecasts are increasing and rising interest rates is expected to come back down in time, all be it only to some extent. Demand for the residential sector is looking stronger driven by amongst others population growth.

Key Facts

Investment Structure:	Unlisted unit trust
Minimum investment:	A$100,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Quarterly
Management fee:	0.98% p.a.
Lock up period:	Nil
Buy/Sell Spread:	+0.25%/-0.25%
Exit fee:	Nil
Administration & expense recovery fee:	Up to 0.25%

NAV

	Buy Price	Mid Price	Redemption Price
AU$	$0.8759	$0.8737	$0.8716

Portfolio Performance

Inception: 12/7/2021	1 m	6 m	12 m	Since inception (p.a.)
Listed Property	-0.61%	0.82%	-0.73%	-3.15%
A-REIT	1.68%	-0.01%	1.52%	-3.81%
G-REIT	0.71%	1.07%	0.13%	0.46%
Cash	0.34%	1.93%	3.39%	1.80%

The RBA has taken a cautious approach to their interest rate decisions and held the cash rate constant for the second month in a row at 4.10%. Consensus was for a further 25bps hike from the sticky inflation data with 2Q23 inflation still sitting at 6%, above the top target range of 3%. The CPI data provided by the Australian Bureau of Statistics sees August YOY CPI at 4.9%, down from the 5.4% in July. The RBA sees economic growth slowing to 0.9% this year, down from their previous forecast of 1.2%.

The current Australian portfolio component consists of 22 stocks. Below are the top 5 holdings:

Symbol	Company	Sector	Current Weight
GMG	Goodman Group	Industrial	9.18%
NSR	National Storage REIT	Storage	8.54%
VCX	Vicinity Centres	Retail	7.79%
CIP	Centuria Industrial	Industrial	6.78%
SCG	Scentre Group	Retail	6.66%

Note: Portfolio returns are quoted net of fees and assume reinvestment of diftributions. Returns shown for longer than 1 year (other than "Since inception (total)") are annualised. The information provided in this factsheet is intended for general use only. The information presented does not take into account the investment objectives, financial situation and advisory needs of any particular person nor does the information provided constitute investment advice. Under no circumstances should investments be based solely on the information herein. Please consider our Information Memorandum and Services Guide before investing in any of our products. Past performance is no guarantee of future returns. Returns displayed in this document are unaudited. For wholesale and sophisticated investors only. Cash refers to the return on the RBA cash rate. A-REIT refers to S&P/ASX200 REIT index. G-REIT refers to GPR 250 REIT World Index.

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Reitway Global Property Portfolio (USD)

August was back to rangebound for the GPR 250 REIT Index with a -3.20% (USD) return pulling it below the 1,310 support to end the month at 1,285. The biggest perpetrator of this decline had been regional malls, producing -7.22%, while specialised delivered a positive return of +1.65%. Digital Realty, riding the crest of the AI boom, was the biggest contributor to specialised outperformance (+5.70%).

Of the continents in the GPR 250 REIT Index, Asia performed the best, producing -0.7%. Africa was the worst performing continent, producing -4.6%. It was Japan that took Asia by the reins, having found returns in positive territory (+1.6%). Pressure was felt by German property developers with no less than five filing for bankruptcy. Despite this, German politicians continued to beat the hammer down on the sector, proposing further draconian rental legislation. New proposals included increasing the lookback period of existing rent indices from 6-7 to 10 years and tempering the maximum permitted rent growth over three years in tight markets from 11% to 6%.

Tropical storm Hilary hit Southern California, bringing with it further complications for a market that has been experiencing insurance policy halts, driven by recent wildfires and regulatory caps on premium increases. The rainfall record in Los Angeles was beaten by a landslide, and tens of thousands of households and businesses had lost power. Days later, Hurricane Idalia started hitting parts of southeastern United States, North Florida included. Although a growing concern, insurance expense remains a relatively small component of REITs' operational expenditures.

Dish, an up-and-coming national mobile carrier in the US, announced that it will remerge with EchoStar in a move targeted at creating a terrestrial-satellite telecommunications powerhouse. For tower companies, near-term implications are a healthier and competitive tenant with a robust capital structure that will aid the company in getting ahead of its spectrum shot clock.

A confluence of forces had come together to give a new meaning to higher for longer, this time specifically on the long end of the US yield curve. The ten-year yield started the month at 3.97%. By August 21st, it had surged to 4.34%, its highest level since right before the global financial crisis. It ended the month on 4.09%. Forces included steadfast quantitative tapering, elevated treasury issuance post the debt ceiling buffoonery, Fitch cutting the US' sovereign rating from AAA to AA+, and financial regulators making it harder for banks and other financial institutions to purchase long-end treasuries.

China continued its data depression shenanigans, suspending the youth unemployment statistic as it undergoes a methodology revision. Youth unemployment skyrocketed this year, from 16.7% to 21.3% as of June. Crumbs and hope are still the only nourishment the Chinese Communist Part is serving the market. This piece meal stimulus has continued to fail in sustaining a market rally. Moves for the month of August included earlier than expected rate cuts for the one-year medium-term lending facility and 7-day reverse repo (15 bps and 10 bps respectively), and a 10 bps cut in the loan prime rate. Measures aimed directly at the stock market included reducing trading costs, slowing the pace of initial public offerings, encouraging margin financing, and protecting small investors.

In a transitionary environment, which brings uncertainty, we reiterate our preference for hybrid companies (possessing both offensive and defensive characteristics) with structural tailwinds that provide a layer of economic insulation.

The TAMIM global property portion invested in the Reitway Global Property Portfolio currently consists of 46 stocks. Below are the top 5 holdings:

Symbol	Company	Sector	Current Weight
PLD	Prologis	Industrial	9.42%
WELL	Welltower Inc	Healthcare	4.04%
PSA	Public Storage	Storage	3.69%
VICI	Vici Properties	Gaming	3.68%
VTR	Ventas	Healthcare	3.21 %

We believe real estate fundamentals remain sound and remain steadfast in our belief that the asset class can post meaningful returns relative to stocks and bonds, even against a slower-growth, higher inflation backdrop, particularly as valuations remain attractive.