Listed Property
TAMIM Property Fund

At 31 December 2022

The Tamim Listed Property unit class delivered a -2.38% return for the month of December 2022. The REIT sector delivering negative returns after 2 good months.

Australian Listed REIT Portfolio (AUD)

The Tamim Portfolio beat the A-REIT market for the month, delivering a negative 2.29% compared to the A-REIT market delivering a negative -5.61%. It also outperformed the A-REIT market by more then 9% over the past year.

In December the A-REIT market gave back some of the gains made during the quarter similar to some of the other global REIT markets. We saw A-REITs slipping in December by the 5.61%. The ASX 200 was also down for the month.

The year has been harsh for the REIT sector with lots of volatility and was driven by various factors such as inflation, geopolitical tensions, and the remnants of the pandemic. A-REITs delivered a negative 24.01% return for the year.

Retail REITs with defensive characteristics (VCX, WPR, BWP, RGN and SCG) held up the best during the year where there was very little hiding place. The residential REIT sector in the portfolio provided the best absolute returns for the month with an average return of 3.37% between the 2 names included in the Tamim Portfolio. The worst performing name in the portfolio was Home Consortium LTD delivering -18.53% and Charter Hall Group delivering -12.66%. Both these are REITs with diversified portfolios. This showcases the spread in returns within REITs we have experienced on a continuous basis this year.

The RBA increased the cash rate in December by another 25 bps, taking the total increase for the year to 3.00%. This is the sharpest increase seen since 1989. The hike was the 8th straight rate hike, taking borrowing costs to its highest level since November 2012. The RBA noted more hikes to come to curb inflation and prevent it from getting out of control. An expected peak of 3.7% is on the cards for mid 2023. The economy is expected to soften in 2023 and the consumer will be put under severe pressure.

To note, we did some rebalancing at the end of the month to re-align the portfolio with our expectations for 2023. We added one new name to the portfolio in Lendlease Group and removed another in Eureka Group Holdings. After the rebalance, our greatest exposure is to the Retail sector (30%) and Diversified sector (27%).

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$	$0.8909	$0.8887	$0.8865

September Quarter 2022 Distribution: 1.88 cents

Portfolio Performance

Inception: 12/7/2021	1 m	6 m	12 m	Since inception (p.a.)
Listed Property	-2.38%	0.23%	-14.79%	-6.17%
A-REIT	-5.61%	1.48%	-24.01%	-9.89%
G-REIT	-6.63%	-6.09%	-20.90%	-4.92%
Cash	0.25%	1.16%	1.30%	0.94%

The current Australian portfolio component consists of 21 stocks. Below are the top 5 holdings:

Symbol	Company	Sector	Current Weight
VCX	Vicinity Centres	Retail	8.29%
GMG	Goodman Group	Industrial	7.55%
SCG	Scentre Group	Retail	6.98%
NSR	National Storage REIT	Storage	6.98%
CIP	Centuria Industria	Industrial	6.84%

Note: Portfolio returns are quoted net of fees. 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.

Listed Property
TAMIM Property Fund

PLD
BEI
PSA
1476.T
VICI
WELL
AVB
DLR
O
SPG

At 31 December 2022

Reitway Global Property Portfolio (AUD)

There was no "Santa Claus Rally" for REITs in December 2022. The GPR 250 REIT World Index delivered -6.63% in AUD, dropping from a three-month high of 1920 in the middle of December to find support at the 1862 level and ending the month at 1860.

The free standing (net lease) sector was the best performer among peers, while healthcare was the worst performing REIT sector. Healthcare's underperformance was mainly due to the short thesis released on Welltower by Hindenburg Research, which weighed on the overall sector. The short thesis has since been debunked by Green Street.

All three major central banks hiked their policy rates by 50 bps: leaving the fed funds rate at 4.25%-4.5%, the BOE policy rate at 3.5%, and the ECB policy rate at 2.5%. For a second consecutive month the US Core PCE price index increased by 0.2%, translating into an annual rate of 2.4%. Core CPI exshelter came in negative for a second consecutive month at an annualised rate of -1.5%.

Although pleased with the recent inflation data, the Fed communicated in their press conference that the labour market is still way too hot and that the committee will continue to hike interest rates in 2023, yet at a somewhat more moderate pace. Although common for monetary policy to permeate at a different pace through various sectors of an economy, we are aware of the exacerbation of this phenomena by the pandemic and have considered it in our portfolio allocation.

The BOJ announced a 0.25% widening of the band in which the 10-year Japanese government bond yield trades—increasing it from +/- 0.25% to +/- 0.50%. In the bank's policy statement, it was communicated that the move is intended to "improve market functioning and encourage a smoother formation of the entire yield curve, while maintaining accommodative financial conditions." However, the market caught wind of a different narrative, leading to speculation that the BOJ was ushering in the abandonment of its yield curve control policy, causing the dollar to slump ~4% against the yen. The BOJ has pushed back against this narrative while continuing with its bond buying program.

Chinese president Xi Jinping visited Saudi Arabia to warm ties between the two nations as the kingdom's relations with the US deteriorates. Xi signed a comprehensive strategic partnership with Saudi Arabia that includes expanding investment and cooperation on energy. The deal was seen political as much as it was economic. Xi pushed to use the Chinese yuan to settle oil transactions (which is normally done in US dollars), confirmed the kingdom's opposition against Taiwan's independence, and vowed to stay out of domestic affairs that the US has become infamous for meddling in.

The US housing market continued to come under pressure and might finally see itself budge in 2023 as its one last buffer (limited supply) started to wane. For the four weeks ending December 25, the total number of homes for sale jumped a record 18% compared to the same period a year ago and homes on market took 40 days to go under contract, its slowest pace since January 2021. Goldman Sachs analysts cut their price forecasts next year from approximately unchanged to down 4% based on "unsustainable levels of housing unaffordability to continue weighing on housing demand."

Our view from last month remains relatively unchanged: REITs are expected to show a greater dispersion of intra asset class returns in 2023 than 2022. Hybrid companies (with offensive and defensive characteristics) that are bond-like are considered best for 2023 positioning, as long-term interest rates are expected to drop while recession fears build.

The Tamim global property portion invested in the Reitway Global Property Portfolio currently consists of 47 stocks. Below are the top 5 holdings:

Symbol	Company	Sector	Current Weight
PLD	Prologis	Industrial	8.84%
WELL	Welltower Inc.	Healthcare	3.88%
PSA	Public Storage	Storage	3.62%
VICI	Vici Properties	Gaming	3.55%
1476.T	iShares Japan REIT ETF	Diversified	3.11%

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.