

Listed Property TAMIM Property Fund

At 31 December 2021



December was another positive month for the broader Australian listed property sector and Australian REITs rose by 4.89% outperforming the ASX300 which returned 2.65%.

Australia

Over the month the TAMIM Australian portfolio holdings slightly underperformed the ASX 200 A-REIT index, rising by 4.54%. Global portfolio holdings, which were up 4.52%, slightly underperformed the GPR 250 R Index which rose 5.02% in AUD terms.

For the full calendar year, the ASX200 REIT Index delivered a 26.15% total return in 2021, making it the sector's strongest absolute performance since 2014, while Global REITs delivered a phenomenal 43.61% in 2021. ASX REITs outperformed the ASX300 by 8.6% for the full year.

The Australian corporate real estate sector saw transaction volume up 22% from their prior record, with a record \$50.8bn transactions in 2021, up 114% from 2020 and 22% ahead of the previous \$41.6bn record set in 2019.

Recovering from last year, market valuations were up strongly with A-REIT owned and managed assets revalued 5% higher across \$100bn in assets with cap rates compressing on average by 0.25%. Sector wise, Industrial (+12%), Self-Storage (+10%) and Long WALE (+9%) were the standout sectors.

The year saw significant fluctuations in bond yields amidst inflation surprises, the negative impact of two new Covid-19 variants emerging during the year (Delta and Omicron) and the reopening and closing and reopening of parts of the Australian economy. The Australian 10 Year nominal bond yield rose 0.70% throughout the course of the year to end at 1.67% (the real 10 Year yield remained in negative territory at 0.60%, rising just 0.17%). 10 Year breakeven inflation ended the year at 2.27%.

The year saw the Australian real estate market proving resilient and flexible during another year of COVID impacts and lockdowns. 2022 will likely not be positive to the same extent as 2021, but we expect to see a continuing and gradual normalisation of the Australian commercial property market and another year of positive returns within a range of 10% to 15% for the year.

The current Australian portfolio component consists of 21 stocks, and the top 5 holdings are as follows:

COMPANY	Sector	Current Weight
Centuria Industrial	Industrial REITs	7.84%
Irongate Group	Diversified REITs	7.01%
National Storage REIT	Storage REITs	6.92%
Vicinity Centres	Retail REITs	6.21%
GPT Group	Diversified REITs	5.79%

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\$	\$1.0713	\$1.0687	\$1.0660

Portfolio Performance

Inception: 12/7/2021	1 m	3 m	6 m	Since inception (total)
Listed Property	4.24%	7.07%	6.87%	6.87%
Cash	0.01%	0.02%	0.05%	0.05%

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.

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Australian Performance Contributors:	
Irongate Group	1.11%
Goodman Group	0.81%
Charter Hall Group	0.80%
National Storage REIT	0.69%
Centuria Industrial REIT	0.67%

Global

Looking at global property, the GPR 250 REIT World Index gained 35.59% in AUD terms during 2021, aided by a 13.29% increase in the final quarter of the year.

On a country level, the US delivered the highest returns, gaining just shy of 18% in Q4 while UK REITs advanced by 13.5%. REITs in Asia continued to struggle with Singapore (+2.3%) and Japan (-2.9%) being the worst performing markets.

Relative to other capital market alternatives, listed property had an exceptional twelve months. Global REITs outperformed Global Equities, returning 24.7%, and Global Bonds, losing -2.5%.

On a sector level, Self-storage and Industrial REITs delivered strong returns for a third consecutive year while Healthcare, Hotel and Office REITs provided sub-par returns.

The last quarter of 2021 saw a strong end-of-year rally and the market seemed to completely ignore increases in bond yields and increased inflation that occurred during the quarter. The markets also largely discounted the new Covid-19 Omicron variant that saw infection numbers skyrocket across the globe, but happily seemingly disconnected from death and hospitalisation rates that appeared to hold steady. On a best-case basis, Omicron may start to herald a slowing of the virulence of the pandemic and a switch to Covid-19 becoming endemic. Naturally, we all hope that this is the case.

Looking forward to 2022, it is highly unlikely that global REIT markets will see the same level of returns as 2021, but we remain positive on the bulk of the sector and expect another positive year.

We remain positive on higher global inflation driving improved REIT rentals and are comfortable that REIT debt levels, which differ markedly from previous periods of rate increases, will see most REIT balance sheets successfully navigate a rising rate environment.

Looking at 2022, sector wise we remain convinced that Logistics will have another strong year. We expect Residential to perform well as demand continues to exceed supply in many locations. Retail is likely well positioned for another strong year as economies return to normal and open from Covid-19 lockdowns, inflation should also drive Retail rental improvement. That being said, should global economies experience stagflation,

Retail's recovery could be short-lived. Office should continue its slow but steady return to normality as staff return to physical office spaces. We don't expect Self-storage to see the same performance as last year and we expect occupancy to be flat or even come under a bit of pressure considering the current high occupancy levels. Datacentres and Towers seem set to remain under pressure as growth slows, and aggressive acquirers absorb the acquisitions made in late 2021.

2022 seems set to be a year of potential and challenge. Challenges of high inflation, increasing rates and potential slowing growth, and the potential for Covid-19 to finally start to ebb. We are ready to navigate these demanding times for our investors and aim to continue to deliver robust returns.

The Tamim global property portion of the portfolio consists of 44 stocks, and the top 5 holdings are as follows:

COMPANY	Sector	Current Weight
Prologis	Industrial	8.65%
VGP NV	Industrial	4.66%
Public Storage	Storage	3.86%
Simon Property Group	Retail	3.42%
CyrusOne Inc	Data Centre	3.36%

Global Performance Contributors:	
Prologis	0.79%
Public Storage	0.45%
VGP	0.32%
Duke Realty	0.25%
Goodman Group	0.25%

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