

Listed Property TAMIM Property Fund

At 28 February 2022



February saw a return to positivity for A-REITs. This was different to most global markets which continued to see declines on inflation fears, but these fears ended up being superseded by the global fallout from Russia's invasion of Ukraine. Australian REITs rose by 1.41%, still underperforming the ASX 300 (+2.09%).

Once again, the TAMIM Australia REIT portfolio holdings outperformed the ASX 200 A-REIT index, gaining +1.76% and +1.41% respectively. Unfortunately, the global portfolio holdings were down -6.87%, underperforming the GPR 250 R Index which fell -5.55% in AUD terms.

Australia

The month started with great promise on the basis of a very positive reporting season for A-REITs; strong earnings driving upgrades to both EPS and Price Targets. Geopolitical events have raised the spectre of stagflation in North America and Europe and we are currently in a period of widespread global disruption caused by Putin's illegal war against Ukraine. Australia remains quite insulated from the conflict though and A-REITs seem to be maintaining a "Safe Haven" status.

During the month all sectors delivered very pleasing results with retail leading the way. There were improving re-leasing spreads, higher asset values, and a normalisation of centre visitation figures (especially post-lockdowns in November and December). Office results were not as bad as expected, delivering an average of 2% LFL growth. There are also signs of demand recovery as people return to offices and improved labour market conditions as the economy normalises post-lockdowns. Industrial showed that the strong results from the sector are not over by a long way; valuations rose 10% in the reporting period as cap rates compressed by 0.44%.

A-REITs look set for a positive year but, unfortunately, strong fundamentals are being drowned out by the macro noise in the market at present.

The Australian component of the portfolio currently consists of 22 stocks, the top five holdings are as follows:

COMPANY	Sector	Current Weight
Irongate Group	Diversified REITs	7.51%
Centuria Industrial	Industrial REITs	7.39%
National Storage REIT	Storage REITs	7.09%
Vicinity Centres	Retail REITs	6.96%
GPT Group	Diversified REITs	5.56%

Australian Performance Contributors:	
Vicinity Centres	0.86%
National Storage REIT	0.36%
Shopping Centres Australasia	0.34%
HomeCo Daily Needs	0.34%
Dexus	0.32%

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\$	\$1.0083	\$1.0058	\$1.0033

Portfolio Performance

Inception: 12/7/2021	1 m	3 m	6 m	Since inception (total)
Listed Property	-0.90%	-1.60%	-1.23%	0.88%
Cash	0.01%	0.02%	0.05%	0.10%

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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Global

As with A-REITs, global REITs reporting their Q4 or H2 numbers consistently delivered strong results with “beats” being far more common than “misses”. Despite this, February saw all global sectors remain under pressure with inflation concerns drowning out much of the good news being reported. Global REITs, especially the USA, saw a counterintuitive performance improvement post-Russia’s invasion of Ukraine. Markets appear to have interpreted market conditions to imply more benign central bank activities. We agree with this to a certain degree but remain concerned that the widespread fallout, especially in energy and food prices, may derail growth and potentially result in stagflation. We continue to monitor the situation very closely.

On a regional level (in local currency terms), Oceania was the top (and only positive) performer (+4.6%), versus Asia at -1.0%, Europe at -2.9%, North America at -3.4%, and Southern Africa -5.7%.

Global property will continue to operate in a volatile market as markets await US rate hikes and certainty of the eventual outcome of Russia’s War with Ukraine. Volatility sadly remains the only certainty. Despite all the market and political noise, REIT fundamentals continue to look robust and the situation on the ground in the mall, office or distribution centre space continues to look optimistic.

The TAMIM global property portion currently consists of 44 stocks, and the top five holdings are as follows:

COMPANY	Sector	Current Weight
VGP NV	Industrial	5.99%
Prologis	Industrial	4.01%
Hammerson Plc	Retail	3.96%
Public Storage	Storage	3.29%
Simon Property Group	Retail	3.26%

Global Performance Contributors:	
Klepierre	0.18%
Boston Properties	0.15%
HomeCo Daily Needs	0.06%
Mitsui Fudosan	0.03%
Camden Property Trust	0.00%

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