Listed Property
TAMIM Property Fund

At 31 January 2024

The TAMIM Listed Property unit class delivered a flat 0.10% return for the month of January 2024. For comparison the A-REIT index was +1.3% while the G-REIT index was -1.49%.

Australian Listed REIT Portfolio (AUD)

The year started positively albeit only slightly with the A-REIT market delivering 1.3% for January, beating the ASX 200. The A-REIT market built on the good end to the prior year and continued the upward trend over recent months. This is in our opinion based on the positive backdrop for REITs in 2024 with the headwind of higher rates subsiding to some extent and potential rate cuts on the horizon. The portfolio has delivered 21.92% in last three months. Australia was one of the best performing REIT regions during the month, only slightly outpaced by Japan during January. Globally, REITs were down 1.49% in AUD terms.

Most A-REIT sectors ended with similar returns for January. Retail was the best performing sector delivering 1.7% followed by Office and Diversified both coming in with a return of 1.6% for the month. The worst performing sector was Healthcare, dropping -5.6% for January. Goodman Group and Scentre Group were the greatest contributors to performance mainly due to the size of their operations. Goodman is the largest holding in the portfolio at 10.21% and Scentre the 5th largest holding at 6.77%. Goodman has been an absolute star over the last year and continues to produce excellent returns.

The top performers for the month were Eureka Group Holdings (+4.49%) and HomeCo Daily Needs (+4.03%). There was an ASX Announcement for an intended off-market takeover offer from Aspen Group Limited to acquire all the fully paid ordinary shares of EGH and the market reacted. The bottom feeders were Abacus Property Group (-5.03%) and BWP Trust (-2.49%). No major news came out for Abacus Property Group. On 24 Jan, BWP announced an all-scrip offer to acquire Newmark Property REIT (NPR) which the market took note of but did not approve. The financial metrics were not really improved by the proposed transaction and could increase its gearing by 5.6%.

There were no changes in the interest rate during the month since there was no rate decision meeting but there will be an RBA meeting on 6 February 2024 where the expectation is for rates te be kept constant at 4.35%. To keep in mind is that rates have been increased by 4.25% over the past 2 years to fight inflation soaring post the Covid pandemic. On the last day of January CPI data for December 2023 was release and it came in at 3.4%, 0.3% lower than the consensus expectation and down from 4.3% in the previous month. This was the third consecutive month of moderation in annual inflation and the lowest it has been since November 2021.

We see some trends that could bear fruits in certain sectors for the year ahead. Logistics is at historically low vacancies and supply should pick up but not fast enough to counter demand. Logistics is a favoured sector by REIT investors currently and is driven by structural tailwinds such as supply chain efficiencies, e-commerce requirements still high, population growth and resilient income growth. Office still has structural issues such as elevated vacancy levels which is not looking likely to be solved within the next year, but the sector has been driven down to the extent where it may look like an attractive play for certain investors.

Goodman Group, the largest position in the portfolio, seems set to benefit from sustainable earnings growth during the period as well as the expansion from their Data Centre strategy. Globally, Data Centres has become ever more in the spotlight for all the good reasons post the inception of the epidemic. People are using more data daily and the trend seems to be something that could continue for many more years.

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$	$0.8915	$0.8893	$0.8871

Portfolio Performance

Inception: 12/7/2021	1 m	6 m	12 m	Since inception (p.a.)
Listed Property	0.10%	2.58%	1.45%	-1.43%
A-REIT	1.30%	8.20%	5.57%	-0.81%
G-REIT	-1.49%	1.64%	2.07%	0.75%
Cash	0.36%	2.09%	4.00%	3.63%

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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We have positioned the portfolio to have some good defensive characteristics in these uncertain times, but we also consider the change in the inflationary outlook for the next few months. The current Australian portfolio component consists of 23 stocks. Below are the top 5 holdings:

Symbol	Company	Sector	Current Weight
GMG	Goodman Group	Industrial	10.21%
NSR	National Storage REIT	Storage	8.19%
VCX	Vicinity Centres	Retail	7.88%
GPT	GPT Group	Diversified	6.79%
SCG	Scentre Group	Retail	6.77%

Reitway Global Property Portfolio (USD)

It was inevitable that some of the November and December gains that were made (+19.4%) had to be given back at some point in time. The portfolio was down -4.34% in January, just a little better than the benchmark for the month, down -4.56%.

China Evergrande has been ordered into liquidation by a Hong Kong court after it failed to restructure $300B of debt owed to banks and bondholders. The share price plummeted by almost 21% on the back of the news before it was suspended from trading. One of the liquidators said it was their top priority to ensure that "as much of the business as possible is retained, restructured, and remains operational." The recognition by Chinese authorities of offshore creditors' claims to mainland assets remain an overhanging question mark.

The Fed's Beige Book presented a window into the American economy's real estate sector. Market participants highlighted that little has changed to the lull in transaction and construction acitivity, with no visible cracks in the sector as of yet. The pickup in REIT unsecured issuance seen thus far in 2024 is a hopeful sign of increased deal volume and activity.

Blackstone's bullishness on the private real estate sector continues to augment, foreshadowing confidence building in the space. The private real estate giant (~$330B in AUM) praises the confluence of a potential rate hiking cycle end and lower construction starts. In their latest earnings call, Blackstone conveyed the belief that real estate values have bottomed. They will continue to be active with their ~$65B in dry powder. Subsequent to the joint venture with Digital Realty in December, Blackstone acquired Tricon Residential, the third largest publicly traded single-family REIT, at an enterprise value of ~$7.5B.

Earnings season thus far has delivered little in terms of shock and awe, which has been good for market nerves. As always, the big industrial bellwether, Prologis, kicked off proceedings. Little new incremental information was given, and the company triggered no surprises in Green Street's Surprise Index. Supply completions in the sector are at an all-time high and tenant demand remains lukewarm. The REIT expects an improved supply-demand environment in the back half of the year.

Crown Castle (CCI) was very topical over the last two months due to the activist campaign launched on the company by Elliot Investment Management. CCI's earnings release, however, was rather mellow. Although no new updates were given on the strategic and operational review of its fibre business, the company did report an acceleration in new leasing activity after several quarters of sluggish performance for this unit. The search for a new CEO continues.

Although the risks around the monetary and economic cycle have become more balanced, we still exercise caution and do not yet find ourselves in the soft-landing camp.

For the Fed, the dynamic remains the same: striking a balance between speed and level, both of which continues to be more luck and art than science. Moreover, at the end point sits the questions of when to start and when to stop that at best will get guestimates, rather than answers.

Fund positioning remains roughly the same (quality, value, structural trend riders, and blend between offensive and defensive), with a slight uptick in risk appetite.

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	6.91%
REET	IShares Global REIT ETF	Diversified	4.46%
RWO	SPDR Dow Jones Gl Real Est ETF	Diversified	4.46%
DLR	Digital Realty	Data Centre	3.77%
EQIX	Equinix	Data Centre	3.67%

We believe real estate fundamentals are still 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, higherinflation backdrop.