

Listed Property TAMIM Property Fund

At 31 July 2022



The Tamim Listed Property fund had a good recovery in July 2022 with a 6.56% return net of fees. While volatility will remain in the REIT sector until interest rates have stabilised, this was a pleasing month.

Australian Portfolio:

The Australian REIT market made a strong comeback during July returning 11.93% for the month. Although the rebound was a pleasant sight, the sector is still down considerably on a year-to-date basis and trails Global REITs (-11.38%), the ASX 200 (-4.75%) and Global Equities (-10.33%).

The TAMIM Australia REIT portfolio underperformed the ASX 200 A-REIT index with returns for July 2022 of 9.59% vs 11.93%. We saw strong performance in some sectors such as Retail and Specialised. In specific names, Vicinity Centres (Retail) delivered a 1.00% contribution, and National Storage (Specialised) delivered a 0.99% contribution to the fund performance for the month. There were only two names in the portfolio, Irongate Group (Diversified) and Eureka Group Holdings (Residential), which did not deliver a positive contribution for the month.

Early indications of rising wage inflation encouraged the Reserve Bank of Australia (RBA) to lift the cash rate by 1.25% within three meetings between May and July. The 0.50% hike in July lifted the cash rate to 1.35%, well above the 0.75% level it was at the onset of the pandemic in March 2020. Market expectations are for significant further tightening in 2H22. This is concerning seeing that REITs are more interest rate sensitive than equities given the higher proportion of debt in their capital structures. The Australian 10-year bond yield ended the month at 3.10% (down 51 basis points MoM) after reaching a new high since the end of 2014, at 4.12% in mid-June. While the sector's overall leverage level remains moderate compared to prior years, fixed interest rate hedging has trended down and is well below offshore market peers. We believe this higher proportion of floating rate debt has contributed to A-REITs underperformance versus global peers in 2022.

The largest holding in the portfolio at the end of the previous month, Irongate Group (IAP), was acquired on 15 July 2022 by Charter Hall. The quarter has kicked off with a bang and returns for the A-REIT market over the past two months are nearly flat, showcasing some of the volatility we might expect in the rest of the quarter.

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\$	\$0.9456	\$0.9432	\$0.9409

March Quarter 2022 Distribution: 1.4 cents

Portfolio Performance

Inception: 12/7/2021	1 m	6 m	12 m	Since inception (p.a.)
Listed Property	6.56%	-4.89%	-3.47%	-3.04%
Cash	0.11%	0.24%	0.29%	0.32%

The current Australian component of the portfolio consists of twenty-three stocks. The top five holdings are as follows:

COMPANY	Sector	Current Weight
Vicinity Centres	Retail REITs	9.58%
National Storage REIT	Storage REITs	8.10%
Centuria Industrial	Industrial REITs	7.46%
Shopping Centres Australasia	Retail REITs	6.68%
GPT Group	Diversified REITs	6.13%

Australian Performance Contributors:	
Vicinity Centres	1.00%
National Storage REIT	0.99%
Centuria Industrial REIT	0.76%
Goodman Group	0.70%

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 Portfolio:

Global REITs rebounded in July 2022 together with most asset classes, returning 7.43% for the month. The portfolio returned 6.22% compared to its benchmark, the GPR 250 R, returning 6.94% for the month, all in AUD terms.

REITs continued their strong relative performance to Equities during the month of July, coming in with a return of 7.43% compared to 6.40% for the general equity market. Global REITs have historically outperformed the broader stock market in periods of high inflation, and that narrative has continued to hold.

Inflation is still the main talk and central banks are in the process of trying to get inflation under control by increasing interest rates and tightening monetary policy. The US is probably on a consensus view aiming for an additional 0.75% interest rate hike in September 2022. US CPI for June 2022 came in at 8.5% compared to an expected 8.7% which is promising news. This was driven by slumping energy prices amongst other items. There is however still significant inflationary pressure.

Economic growth is still slowing around the world and the major global events are making it difficult for economies to get back up to pre-Covid levels. The Russian invasion on Ukraine is still ongoing, and there is uncertainty about the turn it could take for the upcoming winter months in the northern hemisphere. Covid seems to have less of an impact globally with new virus strands becoming less deadly. The global REIT market is still down for the year, but recent market movements have reduced the impact of the first half of 2022's sell-off.

The global component of the TAMIM Property Fund: Listed Property portfolio currently consists of fifty-one stocks. The top five holdings are as follows:

COMPANY	Sector	Current Weight
Prologis	Industrial	4.25%
Duke Realty	Industrial	4.05%
VGP NV	Industrial	3.64%
Boardwalk REIT	Residential	3.44%
Public Storage	Storage	3.39%

Global Performance Contributors:	
Boardwalk REIT	0.56%
Prologis	0.55%
Duke Realty	0.51%
VGP	0.47%
Rexford Industrial Realty	0.29%

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