Listed Property
TAMIM Property Fund

At 31 March 2022

Closing out the first quarter of 2022, March was another volatile month for both Australian and Global REITs. Despite deepening inflation fears, whispers about stagflation and the second month of Russia's invasion of Ukraine, many global markets saw strong returns. The ASX300, up +6.86%, dwarfed Australian REIT performance, up only +1.24%.

Once again, the TAMIM's Australian REIT portfolio holdings pleasingly outperformed the ASX 200 A-REIT Index, gaining +2.21% vs +1.24%. Unfortunately, the global portfolio holdings were only up +0.25%, underperforming the GPR 250 R Index which rose +2.22% in AUD terms.

TAMIM's Australia REIT portfolio delivered a return of -2.91% in Q1 2022. This is compared to the ASX 200 A-REIT Index's -7.10% and the ASX300 at +2.10%. The global property holdings delivered a return of -9.84% for Q1, against the GPR 250 R Index's -6.51%.

The first quarter was one of sustained volatility, seeing sustained global inflation, sticky supply chain issues, the resurgence of Covid-19 in China, and a war in mainland Europe. March also saw Australian 10 Year real yields rising by a significant 55bps, to 0.33%. Real yields were driven by a 70bps increase in the 10 Year nominal bond to 2.84% and were offset by a 16bps rise in the 10 Year breakeven inflation rate to 2.49%. It is interesting to note that the 70bps nominal bond yield move was the fourth-largest monthly move of the past twenty years.

Despite global concern as regards inflationary pressures we remain positive on the listed property sector's ability to benefit from moderate inflation. Listed property has typically proven to be a good inflation hedge. In addition, the depth and diversification of the various available property sectors allows managers to structure more resilient portfolios. The potential impact of stagflation is more opaque but we would expect listed property to struggle more in a stagflationary environment. That said, our research shows that US REITs delivered very strong outperformance compared to equities in general during the stagflationary period of the late 70s and early 80s. Naturally, we will be closely monitoring the market to ensure that we position the portfolio as advantageously as possible.

As things stand, A-REITs remain on track for a positive year. Fundamentals remain sound and inflation levels are within manageable bounds.

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

COMPANY	Sector	Current Weight
Irongate Group	Diversified REITs	7.97%
Centuria Industrial	Industrial REITs	7.40%
National Storage REIT	Storage REITs	7.26%
Vicinity Centres	Retail REITs	7.05%
GPT Group	Diversified REITs	5.70%

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$	$1.0087	$1.0062	$1.0036

March Quarter 2022 Distribution: 1.4 cents

Portfolio Performance

Inception: 12/7/2021	1 m	3 m	6 m	Since inception (total)
Listed Property	1.43%	-4.26%	2.51%	2.32%
Cash	0.01%	0.02%	0.05%	0.12%

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Australian Performance Contributors:	
Irongate Property	0.63%
Home Consortium	0.41%
National Storage REIT	0.33%
Centuria Industrial	0.28%
GPT Group	0.27%

Globally, we continue to see strong performance dispersion at regional levels and for the first quarter (in local currency terms) Europe was the top performer, down -0.8%. This compares to Asia at -0.8%, Africa at -1.7%, Oceania at -1.8%, and North America at -3.7%. Sector wise, Specialised (Data centres and Towers), Industrial and Residential were the softest sectors for the quarter. Retail and Office were the strongest performers, with Office starting to trade more consistently than last year. We still view the Office sector as being under the most strain globally; we will be looking carefully at Q1 2022 financial results to see if the recovery in Office values will be sustainable. With the upcoming US results season we will be able to get a clearer view of the impact of inflation on US REIT operations. We are expecting the Industrial and Storage sectors to continue presenting good results, Retail to be a bit softer and Residential as the most uncertain at the current time.

The TAMIM global property holdings delivered a return of -9.84% for Q1 against the index's -6.51%. We are not happy with this underperformance but it is primarily a result of our move to a more risk-off portfolio positioning in response to Russia's invasion of Ukraine. Instead of the expected market softening, we saw the bulk of the market moving higher. This led to the underperformance.

The global property portion of the portfolio consists of 52 stocks and the top five holdings are as follows:

COMPANY	Sector	Current Weight
Prologis	Industrial	5.98%
VGP NV	Industrial	3.51%
Public Storage	Storage	3.42%
Boardwalk REIT	Residential	3.13%
Hammerson PLC	Retail	3.06%

Global Performance Contributors:	
Prologis	0.56%
Switch Inc.	0.37%
Welltower Inc.	0.31%
Public Storage	0.27%
Castellum AB	0.22%