Listed Property
TAMIM Property Fund

At 30 September 2023

The TAMIM Listed Property unit class delivered a -5.34% return for the month of September 2023. For comparison the A-REIT sector was down -8.72% while the G-REIT sector was down -6.29%.

Australian Listed REIT Portfolio (AUD)

It has been a tough month for Australian Listed Property to say the least but that has also held for the asset class on a global basis. Global REIT Indices declined between -5.60% and -6.20% during the month but the A-REIT market was surely one of the hardest hit REIT regions globally, declining 8.72%. This brought the A-REIT market's year-to date performance to -2.09% compared to the ASX 200 which has delivered 3.71% year-to-date. The ASX 200 was only down -2.84% during September, however we only saw 2 companies in the portfolio holding their head above the water for the month with the rest all coming in with negative returns.

The residential REITs in the portfolio provided the greatest returns this month. Ingenia Communities group (INA) was the best performing company delivering 0.69% for the month followed by Eureka Group Holdings (EGH) delivering 0.37%. They are however not the largest holdings in the portfolio and thus only assisted the portfolio to a limited extent. Our largest holding Goodman Group (GMG) at 9.91% has been the best performing REIT in the A-REIT market delivering 38.1% on a 12-month rolling basis. This month however it was down 8.18% which impacted the portfolio.

The company that delivered the worst performance was Cromwell Property Group (CMW) with -22.0%. This is an Office investment that reported results on the last day of August, recording a reduction in it NTA of 19% which was driven by the write down of the carrying value of its Polish portfolio. The Office sector however was the best performing sector if -7.3% can be called performing, followed by the Industrial sector declining by -7.9%.

We deem the phrase of the times to be "higher for longer" where locally and globally higher interest rates may prove to be around for a while. Bond yields have increased accordingly, and the Australian 10-year bond yield rose from 4.0% to 4.5% in September.

The RBA kept the cash rate at 4.10% at its meeting on the 5th of September as expected, driven mainly by uncertainty in the economic outlook for the country. The increase since May 2022 is a total of 4%. The consensus would be for the RBA to keep the cash rate at 4.10% and only start cutting rates in the second half of 2024. The CPI indicator for August picked up again from the 4.9% in July to 5.2% in August. Some comments to note: The economy is in a below-trend growth period which might last a while still; Household consumption growth is weak; Conditions in the labour market however remain tight; and the unemployment rate is expected to tick up gradually to roughly

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$	$0.8232	$0.8211	$0.8190

Portfolio Performance

Inception: 12/7/2021	1 m	6 m	12 m	Since inception (p.a.)
Listed Property	-5.32%	-2.32%	1.28%	-5.41%
A-REIT	-8.72%	-1.94%	7.56%	-7.56%
G-REIT	-6.29%	-2.82%	0.29%	-2.46%
Cash	0.34%	1.97%	3.54%	1.89%

gradually to roughly 4.5% over the next 12 months.

Australian REITs have seen a lot of pain since the beginning of 2022 with rates rising sharply to counter soaring inflation figures. Certain REIT sectors have been hit hard and seem to be oversold which make them attractive in various ways. We are still in for a bumpy road until the end of the year but then things could start looking a little better for the asset class in general. Historically we have seen the property sector come back strong after rate hike cycles ends.

We have positioned the portfolio to have some good defensive characteristics in these uncertain times. Companies with stronger balance sheets and less debt are favourable in our view and quality assets generally attract better tenants which keeps occupancy rates high.

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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The current Australian portfolio component consists of 23 stocks. Below are the top 5 holdings:

Symbol	Company	Sector	Current Weight
GMG	Goodman Group	Industrial	9.91%
NSR	National Storage REIT	Storage	8.51%
VCX	Vicinity Centres	Retail	7.55%
CIP	Centuria Industrial	Industrial	6.80%
GPT	GPT Group	Diversified	6.41%

Reitway Global Property Portfolio (USD)

Where August was back to rangebound, September was tough. The GPR 250 REIT Index produced -6.29% (AUD), testing the 2023 low last seen amid the SVB banking turmoil.

The laggard of the sector pack was free standing retail, delivering -10.43%, while the leader, lodging/resorts, delivered 1.97%.

Of the continents in the GPR 250 REIT Index, Asia performed the best with -1.9%. Japan's ultra easy monetary policy and inflation asset was a contributor in a world where the higher for longer rhetoric in the west weighed on markets. Oceania was the worst performing continent, delivering -8.1%.

The Commercial Real Estate (CRE) finance council continued to find improving sentiment among real estate professionals in the latest quarterly survey. 58% of respondents expressed a negative sector view, down from 67% in the second quarter, and 83% in the first quarter. Said sentiment had been sparked by improvements in capital and transaction markets.

Pressure points found were liquidity, sustained higher rates, and evolving CRE fundamentals, with the office and multifamily sectors front and centre. A Bloomberg survey supported the office pessimism, with ~66% of respondents believing office prices will only start to recover after a severe collapse.

We at Reitway are underweight the office sector due to its operational challenges and banks hellbent on delivering office loans from their books. The mass uncertainty about the future of the sector has us happily sitting on the sideline for now. Although we have seen a short rebound in some geographies, stemming from a of handful of transactions, we still see more headwinds and devaluations on the cards in the future.

On ESG matters, a swathe of green regulation alterations hit the western world, from the US to Europe.

California governor, Newsom, is set to sign a new emissions disclosure law that will require all companies with more than $1bn in revenue to disclose all three scopes of greenhouse gas emissions, ramping up the costs and potential ramifications for companies.

UK Prime Minister, Sunak, communicated plans to delay or pull back some of the more aggressive regulations around real estate. One of the focus areas is to defer Energy Performance Certificate minimums for several more years, which would save landlords a substantial amount in fines and onerous green capex.

The US 10 year found a couple of fellow travellers on its way to screeching highs. Among them were the German 10 year, moving from 2.46% to 2.93% and ending at 2.84%; levels not seen in over 12 years. The Italian 10 year was also in the mix, moving from 4.13% to 4.82% to reach over a decade high. And then there was the bellwether of the group, the US 10 year, jumping from 4.23% to 4.61% as the sun starts to peer through the dawn of the term premium, brought on by an indefinite build in federal debt and other structural forces at work.

In the central banking sphere, the Fed held its policy rate between 5.25% and 5.50%, leaving another rate hike on the table for this year and less cuts in 2024. The Bank of England took a breather, keeping rates at 5.25% and alluding to rates now being sufficiently restrictive. The ECB surprised the markets by hiking all three of its policy rates by 25 bps. Markets shrugged off the move with the belief that the ECB's rate hiking cycle is also now nearing its end. Although with a single mandate of price stability, growth seems to weigh heavily on the ECB's mind.

As some relief comes through on various inflation components, oil continues its headlong foray into central bankers' headquarters with the blessing of major producers Russia and Saudi Arabia, committing to cutting a combined 1.3 million barrels a day; a move expected to bleed into global stockpiles. West Texas Intermediate futures climbed from $83.63 a barrel to $93.68, ending the month at $90.79. Brent crude futures was in lockstep with WTI; following the price pattern $86.86; $96.55; $95.31 for the month.

In a transitioning environment, which brings uncertainty, we reiterate our preference for hybrid companies (possessing both offensive and defensive characteristics) with structural tailwinds that provide a layer of economic insulation.

The TAMIM global property portion invested in the Reitway Global Property Portfolio currently consists of 46 stocks. Below are the top 5 holdings:

Symbol	Company	Sector	Current Weight
PLD	Prologis	Industrial	9.02%
WELL	Welltower Inc	Healthcare	4.16%
PSA	Public Storage	Storage	3.74%
VICI	Vici Properties	Gaming	3.73%
VTR	Ventas	Healthcare	3.25%

We believe real estate fundamentals remain 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, higher inflation backdrop, particularly as valuations remain attractive.