Listed Property
TAMIM Property Fund

At 28 February 2025

The TAMIM Listed Property unit class delivered a -1.30% return for the month of February 2025. For comparison the A-REIT index was -6.78% while the G-REIT index was +4.14%.

Australian Listed REIT Portfolio (AUD)

We saw the A-REIT market take a big hit in February, down -6.38%. This was mainly led by Goodman Group (GMG) being down -14.06% from the Industrial drag. The portfolio was only down -1.73% for the month. The ASX 200 was down -3.79% and the GPR 250 REIT Index was up +4.19%, mainly lead by the US which was up +4.75%. A-REITs were thus the worst performing versus almost everything it can be compared to for the month. This brings the A-REIT market year-to-date return to a negative -2.02% and the one-year-rolling return to +9.08%.

The best A-REIT sectors for the month were Diversified (+1.6%), Office (+0.8%) and Retail (-3.3%). The worst performing sectors were Industrial (-13.8%), Health Care (-5.75%) and Storage (-4.0%). February saw many of the A-REITs reporting earnings results. The results season brought about volatility in the market which has now become sort of a normality in modern times.

The story of the month however comes from Goodman Group (GMG) which is roughly 42.5% of the A-REIT market and was down -14.06% for the month. GMG reported earnings on 19 February and although results were better than many expected, GMG had a $4bn pro rata placement to fund the 5GW data centre development pipeline and investors did not expect this. Balance Sheet gearing moved higher from 8% to 17% as ~$3.8bn of assets in North America were added to the balance sheet. The Data Centre strategy is also taking longer than expected to gain proper traction (10% of pipeline to start in the next 18 months) and it is more capital intensive than expected. GMG has also recently seen some subdued core logistics demands, weighing down on investor sentiment. Overall, it is a quality stock with excellent prospects, but investors are questioning the time taken to complete the ~$100bn / 5GW pipeline.

The best performing A-REITs in the portfolio was CHC (+8.78%), MGR (+4.69%) and ASK (+2.09%). CHC revised its FY25 OEPS guidance up by 2.5%, showcasing improved activity levels and transaction momentum. MGR also reported results and beat market expectations, which was by large a function of lower interest expenses for the period. On the negative side of the portfolio for the month was GMG (-14.06%), followed by RGN (-6.39%) and SCG (-6.34%). RGN and SCG are both in the Retail sector with SCG being the largest. SCG's results were below market expectations and growth were the main concern which was driven by elevated property expense inflation.

The RBA cut interest rates at their meeting held in February by 0.25% as expected, taking it down to 4.1%. This was expected but has been a long time coming since it was the first cut since November 2020, driven by the further slowdown in underlying inflation. The RBA's tone was more positive on inflation moving sustainably down to the 2-3% target range. They did however note an uncertain economic outlook that may impact the pace of any further rate decisions. The next rate decision will only be in April 2025.

There was no change in the monthly CPI number received in February from the previous month. CPI rose 2.5% yoy but was below market expectations of 2.6%. Although being at lower levels than in the previous year(s), it is still the highest it has been since August 2024. Food prices increased the most in 3 months (3.3% vs 2.7% in December) and housing inflation hit a 5-month high (2.1% vs 1.5%).

It is yet to be seen how much monetary policy easing will be introduced to Australia's market in 2025, but a long-awaited start points in the right direction for the REIT market. Lower interest rates decrease borrowing costs and are particularly favourable for REITs, especially those ones with more debt. This backdrop, together with robust demand for commercial property (particularly data centres) and fair operational performance results from A-REITs could see them backing up their excellent 2024 performance in 2025.

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 (ex price)

	Buy Price	Mid Price	Redemption Price
AU$	$0.9242	$0.9219	$0.9196

Portfolio Performance

Inception: 12/7/2021	1 m	6 m	12 m	3 years (p.a.)	Since inception (p.a.)
Listed Property	-1.30%	-0.61%	3.30%	-0.05%	0.20%
A-REIT	-6.78%	-3.41%	5.35%	1.54%	2.11%
G-REIT	4.14%	7.36%	19.65%	4.65%	5.86%
Cash	0.36%	2.15%	4.35%	3.41%	2.84%

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 Australian economy is projected to experience modest growth in 2025. The OECD forecasts GDP growth to increase from 1.1% in 2024 to 1.9% in 2025, with a slight decrease in 2026 to 1.8%. This is affected by the global trade disruptions notably stemming from US trade policies under President Trump.

Although the A-REIT market outlook for 2025 is optimistic, companies are not providing upgraded guidance until they obtain solid confirmations that the outlook is to remain sustainably positive.

Global Property Portfolio (AUD)

We remain positive on the outlook for our investments into global REITS. WE have however taken the decision to invest this through a portfolio that is currency hedged with the AUD currently trading at around 0.62 cents to the USD.

The portfolio is invested across a diversified range of international Real Estate Investment Trusts (REITs) diversified across various sectors and regions, demonstrated solid performance during February 2025. This positive result was driven by strength across several key holdings, particularly those benefiting from structural trends in the industrial, healthcare, and data center sectors.

Sector Performance
Industrial REITs:
Prologis Inc. (PLD), a leading logistics REIT, continued to benefit from robust demand for e-commerce-related warehousing and distribution facilities. The company's strong fundamentals and market leadership contributed positively to the portfolio's overall return.

Healthcare REITs:
Welltower Inc. (WELL), with its focus on healthcare infrastructure, performed well due to heightened demand for senior housing and medical facilities. Its strategic acquisitions and portfolio optimization efforts bolstered its performance during the month.

Data Center REITs:
Equinix Inc. (EQIX), a global data center leader, capitalized on growing demand for cloud storage and data management services. This trend is expected to continue driving performance, given the ongoing digital transformation across industries.

Retail REITs:
Simon Property Group Inc. (SPG) showed resilience despite broader market concerns about consumer spending. Improved foot traffic and leasing activity in high-quality malls and premium outlets contributed to modest gains.

Self-Storage REITs:
Public Storage (PSA) and Extra Space Storage Inc. (EXR) benefited from steady demand for storage facilities, supported by lifestyle changes and the increased adoption of hybrid work models.

Geographical Insights
The portfolio's geographical exposure remains predominantly weighted towards the United States (75.1%), with additional allocations to Japan (5.6%), the United Kingdom (4.0%), Singapore (2.8%), and other developed markets. The US-centric focus provided stability, particularly through industrial, healthcare, and data center REITs.

Outlook
The portfolio's exposure to diverse property sectors continues to provide a defensive income stream while offering growth potential through high-demand segments such as logistics, healthcare, and data centers. Despite mixed performance in retail and office sectors, the portfolio's overall resilience remains strong. The global diversification and hedged exposure to Australian dollars further enhance its attractiveness as a defensive allocation within a broader investment strategy.

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