

## Monthly Factsheet

31 August 2023

### Fund Managers - Invesco Real Estate Team

Invesco Real Estate (IRE), a global real estate investment manager, invests in direct property and publicly-traded real estate securities, and has an investment track record of over 35 years.

### Fund facts at a glance

#### Asset class

Global property

#### Objective<sup>1</sup>

The Fund aims to provide an average annual gross total return in line with that of a dedicated global core real estate portfolio, while maintaining a significant allocation to liquid assets to ensure the overall fund is more liquid than a dedicated core real estate portfolio

#### Management style

Core/global property

#### Benchmark

The fund is not managed against a benchmark

#### Time horizon

5-7 years

#### Distribution frequency

Quarterly

#### Inception date

3/8/2020

#### Minimum investment

\$20,000

#### MER/ICR

1.30%

#### Buy/Sell Spread

0.15%/0.15%

#### APIR Code

GTU5547AU

### Fund performance analysis (periods to 31 August 2023)

#### Net performance

Periods	Fund %
1 month	1.71
3 months	-1.02
6 months	-1.84
1 year	-3.97
2 years p.a.	0.61
3 years p.a.	4.11
Calendar year to date	-0.55
Financial year to date	-0.21
Since inception p.a.	0.63

The Fund returns are shown after ongoing fees and assumes reinvestment of income. Past returns are not a reliable indicator of future returns. Future returns may be affected by a range of factors including economic and market influences.

#### Assets under management

	A\$m
Fund AUM:	37.06
Strategy AUM:	32,112.19

### Fund analysis (as at 31 August 2023)

The data below is based on the underlying portfolio, i.e. the underlying Funds, into which the Invesco Global Real Estate Fund directly invests.

#### Regional allocation

Direct Real Estate sleeve	%
North America	42.2
Europe	26.2
Asia Pacific	21.2

Liquidity sleeve	%
North America	3.6
Europe	0.4
Asia Pacific	0.5
Cash & Other	6.0

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**Performance Commentary**

The fund produced a positive gross total return in August. Equity positioning was the main negative contributor to listed real estate performance, and the overall fixed income performance was also negative during the month of August. The USD appreciated by approximately 3.7% versus the AUD in August. On the trailing 12-month basis, the USD appreciated by circa 5.9%.

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**Asset allocation review**

The Fund's allocation to direct real estate was approximately 90% as at August 31. The 10% liquidity sleeve allocation at month end was split as approximately 4% to listed real estate and approximately 6% to cash-like investments.

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**Outlook - Listed Real Estate**

In this monthly report, our outlook focuses on Listed Real Estate. Please refer to our most recent Quarterly Report for our outlook on Global Direct Real Estate.

The Global REIT market delivered negative returns during August (measured from August 1, 2023 - August 31, 2023) with performance, as reported by the FTSE EPRA Nareit Developed Index of -3.35%.

The US REIT Preferred market had negative performance as reported by the FTSE Nareit Preferred Stock Index at -0.45%. For the month of August, the US CMBS market outperformed US REIT Preferred as reported by the Barclays US Aggregate CMBS Total Return Index at -0.05%.

The more optimistic market sentiment of prior months has been tempered in August, with government bond yields gently rising, but general equity markets declining.

Within listed real estate markets, the European region delivered best performance. Among US REITs, industrial showed best performance, while economically sensitive, lodging and malls, showed weakest performance. Recent financial reporting of mid-year results has highlighted the impact of unhedged cost of debt for real estate companies across the globe. Refinancing of real estate loans is occurring and some companies have begun to use the bond markets again after several months of limited issuance. However, the cost of refinancing remains high and in many markets is higher than current private market cap rates for real estate.

As always, when cycles dip, REITs with low leverage are in the best position to capture mispriced assets when capital is scarce or expensive. Global listed real estate ends the period trading at a discount to underlying asset value. From an implied cap rate perspective, listed real estate is generally trading at levels higher than financing costs.

Performance data in USD.

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**Notes**

<sup>1</sup> Invesco does not guarantee that the Fund will achieve its objective.

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**Important information**

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