Invesco Global Real Estate Fund - Class A

Monthly factsheet

31 August 2022

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[1]
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
11/9/2019

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 2022)

Net performance

Periods	Fund %
1 month	0.25
3 months	1.72
6 months	3.60
1 year	5.42
2 years p.a.	8.40
Financial year to date	0.48
Calendar year to date	3.59
Since inception p.a.	2.23

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.
From 1 September 2021 the fund implemented a partial hedging against the USD, moving to a target hedging ratio of approximately 50%.

Assets under management

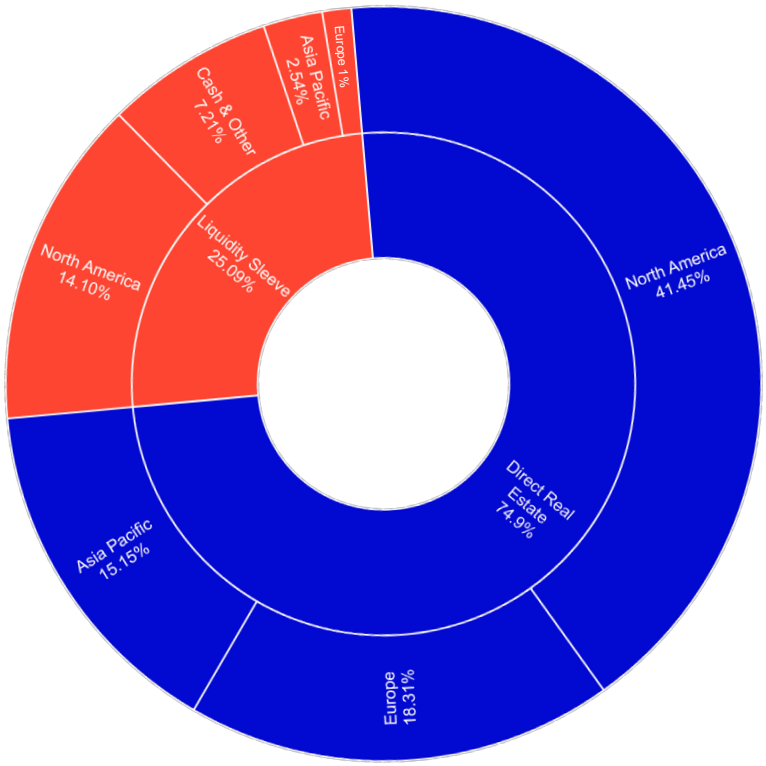
	A$m
Fund AUM:	46.05
Strategy AUM:	32,390.77

*AUM is of the underlying funds which are all as of 30 June 2022 with the USD/AUD exchange rate as at 31 August 2022. The exception is that of the Invesco Global Income Real Estate Securities fund which is the AUM as of 31 August 2022.

Fund analysis (as at 31 August 2022)

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



Monthly commentary

Performance review

Gross total returns for the month of August were 0.33% in AUD and approximately -0.7% in USD. Listed real estate produced a gross total return of -4.34% in August. The pullback in listed real estate returns was driven by reactions from the markets to commitments made by central banks to bring inflation under control, despite the inherent risks to the growth outlook, which shook both equity and bond markets in August. Common 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.

Through 31 August 2022, the Fund produced a trailing 1-year gross total return of 6.10% in AUD and approximately 3.1% in USD. The USD appreciated approximately 2.1% versus the AUD in August. On the YTD and trailing 12 months basis, the USD appreciated ~6.1% and ~6.7%, respectively. As of August 31, the Fund's ownership split between the unhedged and hedged share classes remained at roughly 50/50.

Asset allocation reivew

During the month of August, total inflows were AUD 1.1M (USD 0.7M) and there were no outflows. The Fund's allocation to direct real estate was ~75% as at August 31. The ~25% liquidity sleeve allocation at month end was split as ~18% to listed real estate and ~7% to cash-like investments. Including the uncalled commitment from last quarter (USD 1.5M), the Fund's pro forma allocation to the direct real estate holdings was ~80% at month end.

Outlook - Listed Real Estate

The Global REIT market delivered negative returns during August (measured from August 1, 2022 – August 31, 2022) with performance, as reported by the FTSE EPRA Nareit Developed Index of -6.44% The US REIT Preferred market had negative performance as reported by the FTSE Nareit Preferred Stock Index at -3.75%. For the month of August, the US CMBS market outperformed US REIT Preferreds as reported by the Barclays US Aggregate CMBS Total Return Index at -2.55%. Inflationary pressures remain very troublesome in western economies and central banks have re-iterated their determination to calm inflation even at the cost of economic demand destruction.

Recent interest rate moves have yet to bring clear evidence of job market deterioration, however confidence indicators continue to offer a bleaker assessment of growth prospects. European and North American central bank tightening activity lies is contrast to that in the Far East. China is adding stimulus to prop up its slowing economy and Japan remains less impacted by inflation and appears determined to maintain low interest rates. Listed real estate performed poorly, with weakest performance in Europe, where uncertainty over energy supply and price is creating significant concern. Traditional real estate sectors like retail and office trade at large net asset value discounts. More defensive sectors and those with structural tailwinds are tending to price at or above net asset value.

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Notes

[1]Invesco does not guarantee that the Fund will achieve its objective.guarantee that the Fund will achieve its objective.

Important information

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