Invesco Global Real Estate Fund – Class A

Monthly Factsheet

31 July 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[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
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 July 2023)

Net performance

Periods	Fund %
1 month	-1.88
3 months	-2.25
6 months	-1.94
1 year	-5.35
2 years p.a.	0.23
3 years p.a.	2.91
Calendar year to date	-2.22
Financial year to date	-1.88
Since inception p.a.	0.20

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:	41.23
Strategy AUM:	30,971.89

Fund analysis (as at 31 July 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	37.3
Europe	23.1
Asia Pacific	18.7

Liquidity sleeve	%
North America	11.6
Europe	1.2
Asia Pacific	1.5
Cash & Other	6.5

Performance Commentary

Gross total returns for the month of July were negative. The direct real estate holdings released the first quarter 2023 performance in July, resulting in a -180 bps impact to the Fund. Listed real estate produced a gross total return of 3.2% in July. Equity positioning was the main positive contributor to listed real estate performance, and the overall fixed income performance was also positive during the month of July.

Asset allocation review

The Fund's allocation to direct real estate was approximately 79% as at 31 July. The approximate 21% liquidity sleeve allocation at month end was split as 14% to listed real estate and 7% to cash-like investments.

Outlook - Listed Real Estate

In this monthly commentary, 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 positive returns during July with performance, as reported by the FTSE EPRA Nareit Developed Index of 3.77%. The US REIT Preferred market had positive performance as reported by the FTSE Nareit Preferred Stock Index at 1.17%. For the month of July, the US CMBS market underperformed US REIT Preferred as reported by the Barclays US Aggregate CMBS Total Return Index at 0.22%. Market expectations that recent rapid interest rate rises will result in only modest economic damage have increased in recent weeks, resulting in good performance for listed real estate. In North America and Europe, short term government bond yields have fallen, while longer dated bond yields have risen slightly. Credit spreads have also moderated. Leading economic indicators and money supply characteristics have flashed caution for some time and continue to do so, however, realised economic data and second quarter corporate earnings remain resilient. Global listed real estate ends the period trading at a double-digit discount to net asset value. Overall earnings growth for listed real estate is expected to remain positive through remaining mid-year and year end results, albeit those companies with high leverage or limited interest rate hedging could see some earnings contraction.

Invesco

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Notes

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

Important information

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