

Monthly factsheet

30 September 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

Objective¹
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 30 September 2022)

Net performance

Periods	Fund %
1 month	1.09
3 months	1.57
6 months	5.40
1 year	6.67
2 years p.a.	7.69
Financial year to date	1.57
Calendar year to date	4.71
Since inception p.a.	2.53

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

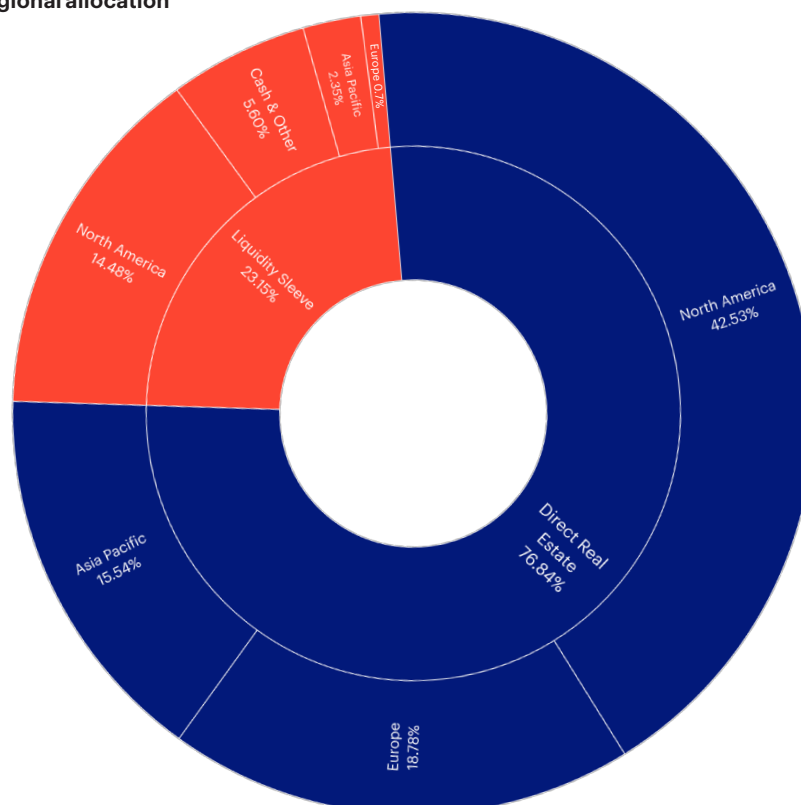
	A\$m
Fund AUM:	47.04
Strategy AUM:	34,267.19

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

Fund analysis (as at 30 September 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



Performance review

Gross total returns for the month of September were 1.18% in AUD and approximately -1.7% in USD. Listed real estate produced a gross total return of -9.74% in September. Turmoil in UK financial markets and signs that the Federal Reserve still has some way to go in its efforts to temper inflation sent listed markets to their lowest levels of the year in September. 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 September.

Through September 30, the Fund produced a trailing 1-year gross total return of 7.70% in AUD and approximately 2.2% in USD. The USD appreciated approximately 5.9% versus the AUD in September. On the YTD and trailing 12 months basis, the USD appreciated -12.3% and -11.6%, respectively. As of September 30, the Fund's ownership split between the unhedged and hedged share classes was 52% and 48%.

Asset allocation review

No inflows or outflows during the month of September. The Fund's allocation to direct real estate was -77% as at September 30. The -23% liquidity sleeve allocation at month end was split as -16% 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 -82% at month end.

Outlook - Listed Real Estate

The Global REIT market delivered negative returns during September (measured from September 1, 2022 – September 30, 2022) with performance, as reported by the FTSE EPRA Nareit Developed Index of -12.30%. The US REIT Preferred market had negative performance as reported by the FTSE Nareit Preferred Stock Index at -9.97%. For the month of September, the US CMBS market outperformed US REIT Preferreds as reported by the Barclays US Aggregate CMBS Total Return Index at -3.11%. The macro-economic environment has deteriorated again. Key Central Banks continue to tighten as inflation remains elevated. Interest rates were raised in most key economies this month, apart from Japan and China where eased conditions still prevail.

The US Federal Reserve remains hawkish, and strength of the US dollar is having significant global repercussions. Energy prices tended to fall, but government initiatives in Europe to shelter consumers from elevated energy prices have very significant deficit financing consequences. Concern of rising sovereign debt levels has been reflected in both currency and government bond yield pricing. Short and long end bond yields rose almost everywhere in September. Global equities delivered very weak returns. Listed real estate also showed meaningful price declines. Global listed real estate ends the period trading at a significant discount to underlying average net asset value.

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Notes

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

Important information

This document has been prepared by Invesco Australia Ltd (Invesco) ABN 48 001 693 232, Australian Financial Services Licence number 239916, who can be contacted on freecall 1800 813 500, by email to clientservices.au@invesco.com, or by writing to GPO Box 231, Melbourne, Victoria, 3001. You can also visit our website at www.invesco.com/au.

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