Invesco Global Real Estate Fund – Class A

Monthly Factsheet

31 January 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
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 January 2023)

Net performance

Periods	Fund %
1 month	-0.29
3 months	-2.93
6 months	-3.48
1 year	-1.70
2 years p.a.	6.03
3 years p.a.	-0.25
Calendar year to date	-0.29
Financial year to date	-3.26
Since inception p.a.	0.81

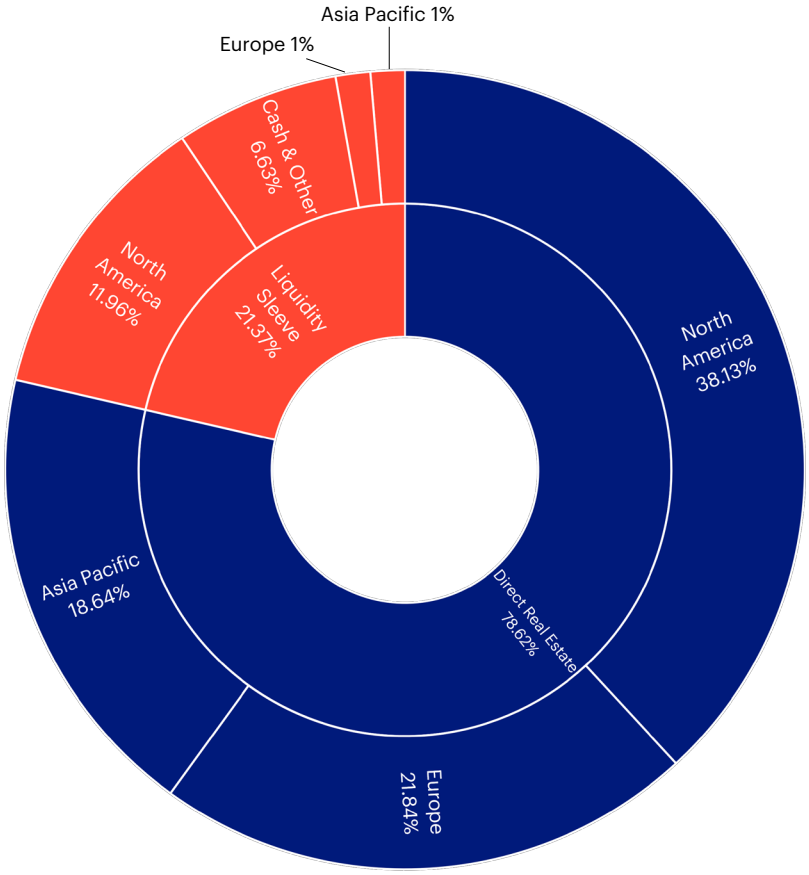
The Fund returns are shown after ongoing fees and assumes reinvestment of income. Past returns are not a reliable indicator of future returns. Future returns may be affected by a range of factors including economic and market influences.

Assets under management

	A$m
Fund AUM:	46.19
Strategy AUM:	23,280.76

Fund analysis (as at 31 January 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.



Monthly commentary

Performance Commentary

In USD terms, listed real estate produced a gross total return of 5.95% in January. The direct real estate holdings released the fourth quarter 2022 performance on January 23, resulting in a +29 bps impact to the Fund. 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 January. The USD depreciated approximately -2.84% versus the AUD in January. On the trailing 12 months basis, the USD appreciated approximately 0.7%.

Asset allocation review

There were no flows during the month of January. The Fund's allocation to direct real estate was approximately 79% as at January 31. The approximate 21% liquidity sleeve allocation at month end was split as approximately 15% to listed real estate and 7% to cash-like investments.

Outlook - Listed Real Estate

The Global REIT market delivered negative returns during January (measured from January 1, 2023 January 31, 2023) with performance, as reported by the FTSE EPRA Nareit Developed Index of 9.02%. The US REIT Preferred market had positive performance as reported by the FTSE Nareit Preferred Stock Index at +13.72%. For the month of January, the US CMBS market underperformed US REIT Preferreds as reported by the Barclays US Aggregate CMBS Total Return Index at +2.63%.

The global economy is now slowing as tighter financial conditions are gradually impacting aggregate demand. Potential inflections in the macro-economic environment are leading to volatile capital markets. Inflationary headwinds are slowly moderating, but their persistently high levels suggest sustained restrictive monetary policy will be needed. Though the US Fed is aggressively tightening financial conditions, elements of the US economy remain resilient, including the labor market and individual consumption.

Listed real estate performed strongly in January. Best returns were achieved by companies that are more sensitive to interest rates and those companies with higher levels of financial leverage and deeper value characteristics. Real estate in Germany, France and Canada led performance, along with US lodging, office and industrial REITs. US, European and Australian real estate markets are beginning to see asset value declines emerge in year-end asset valuations, however, it is not expected that these will fully reflect market repricing. Resumption of widespread investment activity will offer a clearer indication that bid and ask prices have moved to a level that better reflects market reality. Listed real estate ends the period trading on average at a small discount to underlying net asset value (NAV). Europe and Asia show deep discounts to NAV, while US REITs have moved to close to NAV.

Invesco

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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

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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